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No. 27,859

PUBLISHED IN LONDON AND FRANKFURT

Wednesday May 9 1979



NEWS SUMMARY

GENERAL

BUSINESS

Fire in crowded store kills 10

Equities lose 9.5; sterling off 1.05c

• EQUITIES opened cautiously and buyers were even more reluctant following publication of the wholesale price indices.

At least 10 people, six men and four women, died as fire swept through a crowded Woolworth store in Piccadilly, Manchester. About 50 people, including four firemen, were taken to hospital.

Firemen rescued at least 20 people from the roof and windows of the four-storey building. Women trapped behind barred windows screamed for help as thick smoke billowed around them and firemen fought to loosen the bars.

The fire started at lunchtime in the store's furniture department and spread rapidly. More than 100 firemen were needed throughout the afternoon to bring the blaze under control.

Thorpe trial opens at Old Bailey

The trial opened at the Old Bailey of former Liberal Party leader Jeremy Thorpe and three other men accused of conspiring to murder ex-male model Norman Scott.

Mr. Thorpe was further accused of inciting David Holmes to murder Scott. All four pleaded not guilty and the day was taken up with the empanelling of the jury of nine men and three women and with legal submissions.

Bomb at printers

Frankfurt police defused a home-made time bomb containing granite chips outside the Turkish printing plant where the Times tried to print an overseas edition ten days ago. The discovery of the bomb coincided with a Hessen State Parliament debate on the publication attempt.

Protection move

The Italian Government is expected today to call in the armed forces to protect key buildings and political rallies against terrorist attacks. Page 2

Proll bid fails

Asirid Proll, aged 31, alleged West German terrorist, facing extradition on murder and robbery charges, failed in her High Court bid to prove she is a British citizen despite judgment that her marriage to an East London plumber was legally valid.

Carter death 'plot'

Charges of conspiring to kill President Carter were lodged against a man with a starting pistol arrested while the President was making a speech in Los Angeles. Raymond Lee Harvey, aged 35, said he was supposed to fire the pistol as a distraction.

Obote settlement

Mr. Milton Obote, former Ugandan president, accepted "substantial" damages in settlement of his High Court action in London over a libel article implying he had ordered the murder of Idi Amin.

Nuclear peace

The anti-nuclear demonstration at the Torness power station in East Lothian ended peacefully. Only about 100 of the thousands of weekend protesters remained in the hope of speaking to construction workers.

briefly ...

Passenger train-derailed near Iddesleigh was thought to have been caused by vandals. Three people were treated in hospital.

Yugoslavia was shaken by a strong earthquake. Similar tremors were reported in Skopje, Yugoslavia and San Francisco.

PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated

	RISES	FALLS
Portland Cement	126 + 14	Exeter, 12pc 1985
Granite	360 + 38	Bowater
h and Lacy	200 + 7	Brit. Northrop
members	237 + 17	Costain
ubb.	176 + 8	Tromp
electrocomponents	468 + 23	West Driefontein
rotherm	370 + 21	Winkelhaak
imbris	320 + 7	
nger Inv.	85 + 4	
rdy (Furnishers)	100 + 8	
rris Queensway	270 + 13	
U. Samuel Wrists	675 + 12	
Footwear	157 + 12	
n. & Prov. Shop	244 + 16	
o'Ferrall	153 + 10	
thern Foods	140 + 6	
ape & Fisher	88 + 10	
te of Leeds	133 + 12	
thrie	558 + 13	
Sumit (Jefferson)	175 + 11	
rei Kris	120 + 18	
Cherspene	60 + 6	

FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

Wednesday May 9 1979

John D. Lewis

Howe sets out the guidelines for his first Budget

BY RICHARD EVANS AND PETER RIDDELL

The Government began yesterday to draw up the timetable for implementing the Conservative manifesto pledges. The Cabinet met for the first time and on his first full day at the Treasury Sir Geoffrey Howe, Chancellor, set out guidelines for the Budget preparations.

Budget day looks increasingly likely to be June 12. A later date or the end of May are not regarded as practicable. The only real alternative June 5, may be ruled out since it is two days before the European elections.

At a 90-minute Cabinet meeting yesterday afternoon Mrs. Margaret Thatcher outlined the style of government she expected. Ministers are still expected to proceed with caution on contentious issues, particularly in the first few months of the new Parliament.

The Cabinet took a first informal look at the priorities for the legislative programme, but detailed discussion on the contents of the Queen's Speech, opening Parliament next Tuesday, was left to a further Cabinet meeting tomorrow. At that meeting the date of the Budget will be decided.

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• **STERLING** closed 1.05c lower at \$2.0675, its trade-weighted index dropping to 66.8 (67.3). The dollar's trade-weighted index fell to \$5.9 from \$6.4.

• **GOLD** fell \$1 to \$247 in London.

• **WALL STREET** was 5.20 lower at 888.22, near the close.

• **NATIONAL ASSOCIATION** of Pension Funds has set up a special committee to persuade Lloyd's Bank to change its voting structure to help large shareholders. Back Page

• **URENCO**, the UK-German-Dutch consortium has signed a new contract worth nearly \$200m for enriching uranium by the gaseous centrifuge process. Back Page

• **BRITISH AEROSPACE**, the state-owned aircraft group, earned a trading profit of £75m last year, slightly above the previous £75m. Net profit remained at £29m. Page 8

• **STOCK EXCHANGE** general service charges, based on 2 per cent of members' revenue, fell to £5.5m (£5.6m) last year while costs rose by 13 per cent. Page 8

• **RIGHT-WING** gains in Amalgamated Union of Engineering Workers elections have left moderates in complete control of the executive for the first time in many years. Back Page

• **POST OFFICE** has agreed to hold further talks with union leaders on efficiency clauses following the rejection of a 12 per cent pay offer. Page 11

• **THE EEC** has agreed to ratify the proposed UN liner code aimed at guaranteeing developing countries a significantly bigger share of the world non-bulk cargo shipping. Page 2

• **EUROPE** may have to revise its arrangements for raising \$300m on the Eurocurrency market because of Arab hostility to the peace treaty with Israel. Page 6

• **COMPANIES**

• **MARKS AND SPENCER** profits rose by 37 per cent to a record £161.55m for the year to March 31. The dividend total is lifted by 23 per cent. Page 28 and Lex

• **INTERNATIONAL THOMSON** Organisation pre-tax profits for 1978 rose to £136.7m (£91.7m). Page 34

• **PHILIPS**, the Dutch electrical group, raised after-tax profits by 26 per cent to Fls 17m (£29.9m) in the first quarter of 1979. Page 35

• **Obote settlement**

Mr. Milton Obote, former Ugandan president, accepted "substantial" damages in settlement of his High Court action in London over a libel article implying he had ordered the murder of Idi Amin.

• **Nuclear peace**

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• **PRICE CHANGES YESTERDAY**

Prices in pence unless otherwise indicated

	RISES	FALLS
Elandersand	319 + 21	
Kamunting	92 + 12	
Kloof	710 + 73	
Libanon	598 + 51	
Selection Trust	596 + 24	
Tromp	280 + 25	
West Driefontein	£231 + 11	
Winkelhaak	670 + 61	
American News	4	
Appointments	12	
Arts	17	
Basic Rate	38	
Commodities	39	
Cos-UR	22, 30, 32, 33	
Crossword	15	
Entertain. Guide	16	
Europ. News	2-3	
European Options	38	
FT Actuaries	40	
Gardening	18	
Int. Companies	34-35	
Leader Page	18	
Letters	27	
Law	45	
Lombard	16	
Management	15	
Men & Matters	18	
Mining	33	
Money & Finance	37	
Overseas News	6	
Racing	16	
Stock Markets	42-43	
London	40	
Wall Street	38	
Bourses	38	
Today's Events	27	
TV & Radio	16	
UK News—general	8, 10, 13	
Unit Trusts	41	
Weather	44	
World Trade News	7	
INTERIM STATEMENT	3	
ANNUAL STATEMENTS	3	
Bank of Scotland	30	
Survey—Viewdata	19-26	
American News	4	
Appointments	12	
Arts	17	
Basic Rate	38	
Commodities	39	
Cos-UR	22, 30, 32, 33	
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Lombard	16	
Management	15	
Men & Matters	18	
Mining	33	
Money & Finance	37	
Overseas News	6	
Racing	16	
Stock Markets	42-43	
London	40	
British Aerospace	11	
Cement-Roadstone	12	
Eberl Industrial	32	
Hambro Life	36	
JB Holdings	32	
John Menzies	10	
Minet Holdings	28	
A. Mondadori	3	
Morris O'Farrell	20	
Paul Colman	21	
Skf	32	
Tyndall Managers	36	
American News	4	
Appointments	12	
Arts	17	
Basic Rate	38	
Commodities	39	
Cos-UR	22, 30, 32, 33	
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EUROPEAN NEWS

Eanes in talks on threat of Government collapse

By JIMMY BURNS IN LISBON

PREMIER Antonio Rebhalo Eanes today meets representatives from the four major political parties, amid increasing signs that the downfall of Portugal's five-month-old non-party government is now practically inevitable. The issue at stake is no longer whether or not the Government will survive, but rather how soon it will fall.

This has emerged during a week of growing separation between the Government and Parliament. Three major political groups, the Socialists, the Communists, and the right-wing Social Democrats (PSD), have now openly called for the resignation of the administration of St. Carlos Mota Pinto.

The conservative Christian Democrat Party (CDS) and the independent grouping of 37 PSD dissidents have held back from openly attacking the Government. But significantly enough, they have now begun speculating openly on its replacement.

The CDS, clearly stimulated by Mrs. Thatcher's recent electoral win, have disregarded their minority status in Parliament and yesterday published their first "shadow Cabinet" list.

ARNOLDO MONDADORI EDITORE
S.p.A. with Head Office in Milan—Capital Lit. 7,507,500,000

Annual General Meeting of 30th April, 1979

The Company's Shareholders' Meeting was held in Milan on 30th April 1979 in order to approve the Balance Sheet as at 31st December 1978. In its Report the Board revealed the following significant items:

- the balance sheet closed with a net profit of Lit. 5,100 million (against the loss of Lit. 280 million in 1977);
- total turnover for the year under review amounted to Lit. 245,900 million (+17%);
- exports, already included in the total turnover, amounted to Lit. 58,800 million (+22%);
- turnover of the controlled companies amounted to Lit. 88,000 million; the algebraic sum of the results obtained by these companies give a profit of Lit. 2,200 million;
- fixed assets in machinery amounted to Lit. 52,200 million;
- depreciation for the financial year totalled Lit. 5,200 million, which was Lit. 682 million more than estimated. The depreciation fund reached Lit. 32,300 million;
- reserves shown in the accounts at the end of the financial year totalled Lit. 13,300 million;
- personnel employed by the Company as at 31st December 1978 numbered 5,409 in all. The Group's employees, including the employees of the controlled companies numbered 6,812.

The Meeting approved the distribution of a dividend of Lit. 120 per each preference share and of Lit. 100 per each ordinary share of Lit. 1,000, taking Lit. 820 million from the profit. The remaining part of the profit, equalling Lit. 4,300 million, was brought to reserves.

The Meeting proceeded then to appoint the members of the Board and the Auditors for the years 1979, 1980 and 1981. Members of the Board were appointed as follows: Messrs. Giuseppe Luraghi (President), Mario Formentini (Vice-President and Managing Director), Sergio Poffi (Managing Director), Giandomenico Bassetti, Romano Bonelli, Mario Cimadori, Massimo Colombo, Giuseppe D'Avoli, Laura Mondadori and Leonardo Mondadori (Directors).

Members of the Board of Auditors have been appointed as follows: Messrs. Franco Jorio (President), Enrico Giannini and Pierluigi Martinielli (Standing Auditors), Lucio Mayer and Gustavo Coenchi (Substitute Auditors).

In extraordinary session the Meeting resolved to carry out a number of amendments to the Company by-laws.



Productive people breaking records again

This year the pace of progress is again impressive. Half-year earnings per share, dividends, income and sales soared to new peaks. As the table below indicates, sales jumped 30%. Even more significantly, income went up 35%.

The dividend was increased for the 10th consecutive quarter. And, while the increase looks modest, over \$44 million will be paid out to DANA stock owners this year, against \$38 million paid last year.

FINANCIAL HIGHLIGHTS

(All figures rounded)

	Six Months Ended Feb. 28, 1979	Percent Change
Net Income Per Share.....	\$2.50	\$1.87
Dividends Declared Per Share.....	\$6.69	\$6.61
Net Income.....	\$80,600,000	\$59,200,000
Net Sales.....	\$1,370,000,000	\$1,051,000,000

DANA CORPORATION

A profitable world wide manufacturer of components for the industrial, motor vehicle, and service parts markets.

PAUL LENDVAI reports on the reasons for Austria's Socialist victory

'Kaiser' Kreisky's biggest gamble pays off

SINCE Sunday afternoon, opinion researchers, sociologists, journalists and, of course, politicians, have been discussing the reasons for what is being called an election "miracle"—the biggest Socialist victory in modern Austrian history.

No serious observer expected it, and until recently, most commentators were speculating about the future shape of the coalition if Chancellor Bruno Kreisky were to go.

After nine years' Socialist rule, the Chancellor, who is 68 and allegedly in frail health, was fighting seemingly overwhelming odds.

The feeling of "time for a change" and that "nine years are enough" was reflected in a string of setbacks. Despite the Chancellor's personal pleas the Government was defeated by a narrow majority at the referendum last November on the commissioning of Austria's first nuclear plant.

His party suffered a setback at the important Vienna municipal elections with 60,000 Socialist voters abstaining.

Last but not least, controversies about the lifestyle and business interests of his deputy, as well as concerted campaign about alleged corruption scandals, dominated the headlines, with most papers solidly against the Socialists.

Yet the outcome was a political sensation. The Socialists won a fourth consecutive victory, for the third time with an absolute majority, and increased their strength from 93 to 95 seats out of a total 183.

Two figures indicate the profound changes in the political landscape. In 1970, the gap between the Socialists and the main opposition people's party was three seats and 170,979 votes. On Sunday, it widened to a difference of 18 seats and 431,302 votes.

"Kreisky's greatest gamble pays off," newspaper headlines declared. Even the



A jubilant Chancellor Bruno Kreisky celebrates his election victory with party friends

Party (1945-1966) the country had only altogether four Chancellors and three Foreign Ministers.

Elected in February 1967, as chairman of the Socialist Party, but only with a two-thirds majority, Dr. Bruno Kreisky first changed his party, then the entire political landscape.

It is now common knowledge that Austria is a haven of labour peace with a 4 per cent growth

in the '70s and virtually full employment. The shilling is one of the sturdiest currencies and the inflation rate was down to 3.6 per cent last year. About 76 per cent of the Austrians declared in a recent opinion poll that they saw "Austria as it is today" as a model for the whole world.

When Dr. Kreisky receives

President Sadat in Vienna, the former U.S. presidents Nixon and Ford in Salzburg, or meets

Mr. Brezhnev in Moscow, the public in Austria is spell-bound.

Even staunch conservatives

pay tribute to his international prestige. In December 1975,

may well have profited from the guilt-ridden conscience of many elder Austrians.

But for many younger people, the unprecedented popularity of the Jewish Chancellor is also a symbol that there has emerged a truly new Austria.

After the election, Die Presse remarked that Austria was a "Kreisky-land," with people voting for a father figure, for an "ersatz Kaiser" for the past and present, rather than for the future.

Dr. Kreisky resents suggestions that he is a "conservative." As a daring anti-Fascist and Socialist, he spent, in all, two years in prison before emigrating to Sweden in 1963. Thirteen years in Sweden shaped his life and outlook.

He is a life-long Social Democrat but with the flair of the grand bourgeois whose chief aim has always been elimination of poverty and maintenance of job security.

Dr. Kreisky's philosophy is a curious mixture of Marx and Bernstein, Keynes and Galbraith, spiced with practical experiences collected under the Swedish Welfare State and post-war Austrian social consensus.

In a real sense, the Kreisky brand of moderate Social Democracy and the Austrian's own love of compromise, is the background to what an Austrian paper called a "world record in political success."

It is estimated that the "Kreisky effect" was responsible for six to eight seats out of a total 95 gained by the Socialists, and for 5 to 7 per cent of the almost 52 per cent of the vote polled by the Socialists.

What comes after the Kreisky phenomenon? "For the time being, I am in charge and intend to serve fully by four-year term as a Chancellor.

"We are not a monarchy with crown princes. The party will decide at the right time who my successor will be." Dr. Kreisky said in an interview.

The matchmakers.

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Burroughs Modular Terminals (BMT™) offer almost unlimited configuration flexibility for greater economy.

A mix of displays, keyboards, printers, magnetic card readers, memory subsystems and more can be structured into a network. You match the job with the exact terminal needed.

Each BMT terminal system is driven by its own microprocessor, a tiny, but powerful, programmable computer with its own memory.

It supplies processing intelligence for the terminal modules. And for application programs, data storage and peripheral control.

It eliminates separate communications controllers linked to your central computer. And it allows

programming for alternate functions.

You can change and expand your network, and take advantage of new BMT developments, without having to reprogram.

And remember, when you buy a Burroughs system, you get more than just equipment. You get our 90 years experience in information management. Plus system software, application programs, training and system support— even the business forms and supplies you need.

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Burroughs

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PRODUCTIVE PEOPLE

AMERICAN NEWS

Sunshine state suffers as petrol rationing and shortages start to bite

CALIFORNIA, the land of cars, has run short of the means to run them. Yet, less than a year ago, the West coast was said to have an oil glut. On the surface the reasons for the change look simple. The oil companies, say there is a shortage of crude oil worldwide following the revolution in Iran. The U.S. Department of Energy is also asking them to divert production from petrol to heating oil to rebuild stocks.

In an effort to share out the misery, the oil companies have chosen to impose cuts in supplies on the service stations, based on what they took in the same months last year.

Before the changes in Iran Standard Oil of California was

entitled to 7 per cent of crude that it is no longer getting. Saudi Arabia said in April it will not continue to fill the gap and other producing countries, like Indonesia, now prefer to sell their spare crude for high stock prices rather than let companies like Stanca have it.

Greater density

The West Coast "glut" consisted of one-third of BP's present Alaskan production of 1.2m barrels a day. This crude is of much greater density and higher sulphur content than the missing Middle East crude and cannot easily be used in California refineries, unless it

is either passed through pipelines to refineries in the Midwest or shipped in small tankers through the Panama Canal to Gulf coast refineries.

The oil companies also protest that the shortage of refinery capacity in the U.S. is largely the result of excessive environmental zeal. Over the last five to six years there have been more than 20 applications to build large, 100,000 b/d green site refineries. Just one has been approved. But they also protest that they are not allowed to make adequate profits to justify building them.

California has not helped itself, say the oil men, insisting on tight pollution controls for

cars. Now a greater proportion of Californian cars require unleaded petrol, which takes about 7 per cent more crude oil to make than a gallon of leaded petrol, and the cars do fewer miles per gallon.

Part of the reason why shortages are biting harder in California is that Californians simply do not want to believe that the shortage is real. Habitually, they drive long distances and they own 16m cars, more than one for every resident over driving age. Public transport is very thin on the ground. Californians will put up with almost any inconvenience to be able to use their cars.

Petrol demand in California and

in 1978 was up by almost double the national average (7% per cent against 4 per cent). In real terms this reduces a Californian service station's typical allocation for May of 80 per cent of last year's supplies to less than 75 per cent of today's likely demand.

No petrol station in California now opens at weekends. Most open for a few hours in the morning and late afternoon in the rush hours. Desperate motorists park their cars overnight in a service station to book a place in the morning. In turn, petrol station owners are hiring security guards to prevent stealing.

To head off panic, Mr. Gerry Brown, the state Governor, has pushed through a crude form of

rationing. Cars with odd licence numbers will be able to buy petrol on odd days, even licence numbers on even days. Doctors and nurses will get

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He'd never been in my car before and was obviously impressed by the deep plush seats, air-conditioning and quietness of the six cylinder engine.

"How much did it cost?" he asked, in that direct way Americans have.

I had been anticipating the question.

He had been silent since the start of the journey but it had been one of those silences that spoke louder than words.

I had seen him stroking the seat, then casually squeezing it as one might test the freshness of a loaf.

Twice he had turned in his seat to look at the back of the car and I noticed that on both occasions his returning gaze had lingered on the sun-roof above our heads.

As the car negotiated the rush hour traffic, he settled back in his seat and stretched his legs, extending his toes as if to test the leg room. A second or two later he turned to me and asked his question. We had a long journey ahead of us and I felt a little gamesmanship might pass the time.

"How much did it cost?" I echoed. "Why don't you try and guess?"

He smiled. "I've no idea how much Volvos cost."

"No, but you know how much your own car cost—if you get within £500 of the price, I'll buy dinner tonight."

He had sat up, interested in the game.

"Right," he said, "I'll need a few clues."

He took from his pocket a small notebook, beautifully bound in calf leather and a black Mont Blanc pen. He was, apparently, no stranger to quality.

"Well, the car is the Volvo 264 GLE" I began. "It's the best 4-door saloon car that Volvo make."

I felt rather vainglorious positioning it in this way, but to be fair, it seemed a piece of information he should have.

"It has a 2.7 fuel-injected V6 engine with an output of 148 bhp," I continued.

He looked up from his notebook and smiled. "It's very quiet," he said. "Very quiet."

We had by now reached the motorway and I slid my window up as we settled down to the long drive ahead.

It was a warm muggy evening and I blessed the fact that the car had air-conditioning.

"Is that an extra?" he asked as the air around us magically became cool and comfortable.

"No," I said. "It's a standard feature. I won't give you all of them or you'll get writer's cramp—but you ought to know the main ones."

He chuckled.

There was something about him that reminded me of Spencer Tracy, but I resisted the temptation to tell him so.

"The ribbed-velour seats are standard, so are the power steering, electric windows, steel sun-roof and tinted glass."

I hesitated for a moment, then went on with my list. "Metallic paint, electrically operated

door mirrors, headlamp washer/wipers, tachometer, a heated driver's seat..."

He interrupted and asked me to slow down. "Not the car, just the description," he added.

The motorway was now almost empty of traffic and the evening's humidity had turned to rain.

I always enjoy driving in the rain. The Volvo sits full square on the road and one wafts past slower traffic with almost feudal disdain. Of all the cars I've owned, none has made me feel more secure on a long journey.

"I'm ready for more dictation, sir." He had put on the accent of the young Judy Holliday and I began to look forward to an amusing dinner.

"Right," I said. "Just a few more I think." He looked up, pen at the ready.

"You get stereo speakers in the front doors, sun blinds on the rear window, head restraints on the rear seats, lights in the engine, glove box and boot, a clock, cigar lighter, radial tyres, fog lights, etc. etc. etc."

I delivered this last inventory in one breath and after a while he gave up the attempt to write them down.

"I get the picture," he said. "It's a very well-equipped car."

"Do you want to make a guess at the price?" I asked.

"Just two more questions," he said. "I assume you're talking about the price for the automatic model?" I nodded.

"And I'm taking for granted that all the usual Volvo safety features are built in."

"All present and correct," I answered.

He screwed up his face as if pained by the process of thinking. He felt the seat again; needing it seemed, a final confirmation of quality.

"Okay," he said. "I'd say you couldn't get this package for less than £1,000."

It was difficult to keep the satisfaction out of my voice.

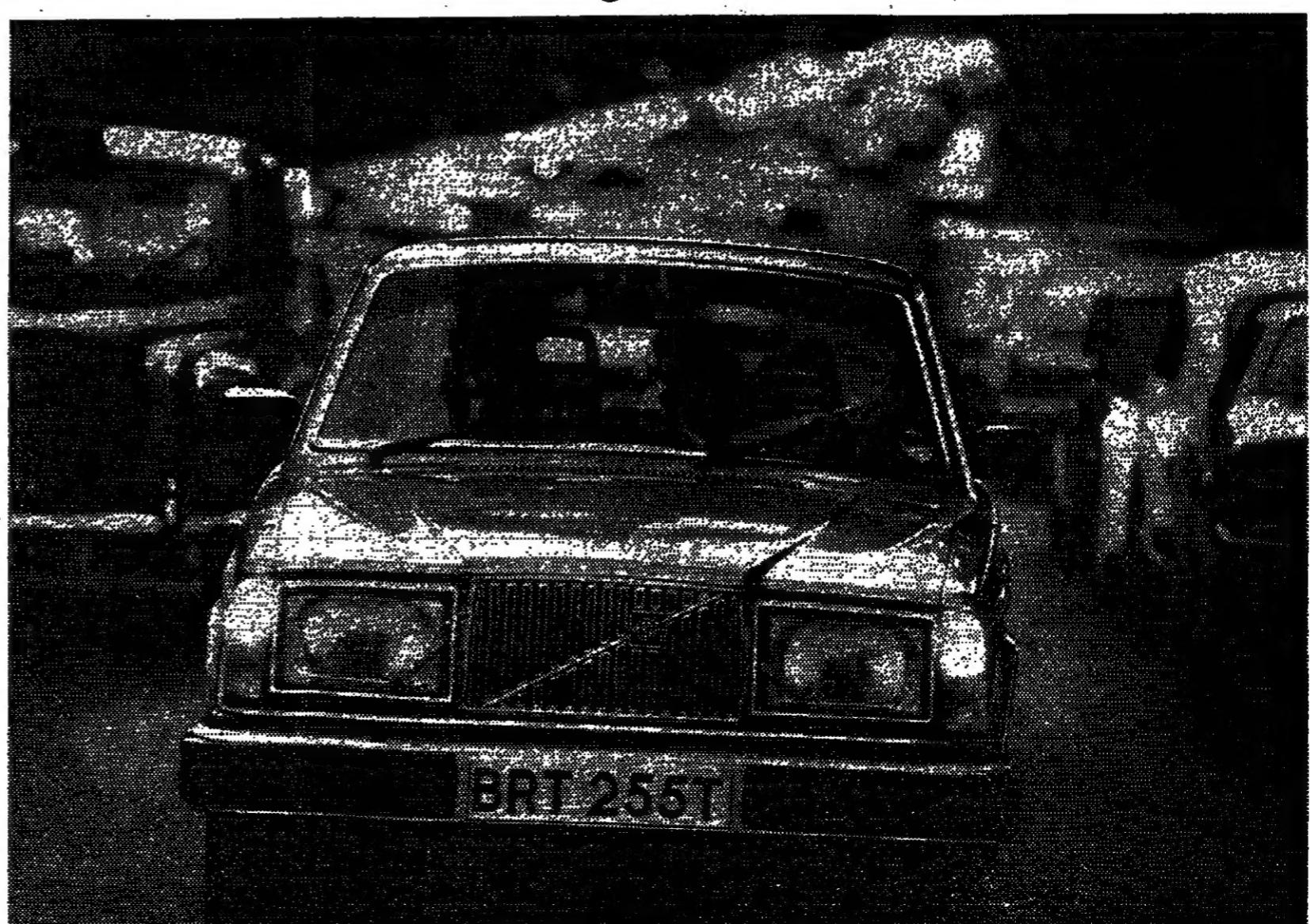
"It costs £8,827," I replied.

He was silent for a moment, but only for a moment.

"You can still buy me dinner," he said. "If that's all you paid for this car, you can afford to."

I couldn't argue with him.

The Volvo 264 GLE.



OVERSEAS NEWS

Richard Hanson reports on a changing relationship with the U.S.

Taiwan still booms, despite the shock

MORE THAN four months has passed since the U.S. Government normalised diplomatic relations with the People's Republic of China—and Taiwan is not only still there, but apparently not too unhappy with its new status.

After briefly venting its feelings at President Carter's abrupt (and in the Taiwanese view, tactless) handling of the change-over, the Nationalist Government seems to have decided to swallow its pride.

Public rancour over the U.S. move ceased partly because it threatened to become counterproductive. It may also have paled in the face of the successful "smiling diplomacy" offensive launched by China in the wake of its latest diplomatic victory.

But the final and most convincing explanation is that most people in Taipei (inside and outside the government) believe they still have many years of security and prosperity ahead.

In Taipei, things have returned to normal. Some doubt exists, in fact, whether there was ever any real departure from normality. The Taiwan economy is booming as before, and its infrastructure is growing stronger.

Real economic growth in 1978 was 12.8 per cent, up from 8.1 per cent in the previous year. Growth rate should reach 10 per cent this year, despite deterioration in the external economic environment caused by oil price increases.

Rapid economic growth in Taiwan can almost be taken for granted. Of greater importance at this juncture may be the response of foreign investors and bankers to the change in the island's status.

If loan commitments and investment decisions are anything to go by, this appears to have been extremely positive. Foreign bank commitments to the island in the three months after the Carter broadcast exceeded by about 50 per cent those made during the whole of 1978 (including more commit-

ments by the U.S. Ex-Imbank which has extended a total of \$22bn).

A number of major companies including Perkins Engines of the UK and General Electric and Chrysler of the U.S. have continued negotiations on investment projects first conceived before normalisation.

For them to have done so, and for more foreign investors seeming to be beating a path to Taipei is unsurprising for two reasons.

First, when President Nixon signed the Shanghai communiqué in 1972, businessmen took the view that eventual normalisation of U.S. relations with China was a foregone conclusion and assessed the risks of investing in Taiwan accordingly.

The time of the U.S. announcement was only months away from what had been generally expected, so the business community could hardly be expected to panic.

Second bankers and business men still seem to favour Taiwan's chances of surviving and prospering because the post-normalisation U.S. commitment to Taiwan has turned out to be far stronger than originally appeared likely.

The Taiwan Relations Act recognises Taiwan's laws as those of a separate nation (despite the official U.S. diplomatic view that Taiwan is part of China and China's capital is Peking).

It assures banks that loan agreements made with Taiwan borrowers are still valid. It commits the U.S. to continue to supply arms to the Taiwanese armed forces, and incorporates a strongly worded expression of American interest in the island's future security.

Of 60 treaties in force between the U.S. and Taiwan on January 1 this year, 59 are still in effect today. The exception is the mutual defence pact to be phased out by the end of the year.

The transition from a fully-dedicated American Embassy representing U.S. interests in

Taiwan to the "American Institute in Taiwan", which now does the same job, was not smooth.

The opening of AIT was delayed for six weeks after the Embassy closed at the end of February because of snags in Taiwan so as not to jeopardise trade opportunities with China.

Some major investment has

arrangement with Taiwan has forces, however, appear strong enough to make the cost of an invasion from the mainland prohibitively high in the foreseeable future.

If, then, Taiwan does have worries, they have less to do with foreign reactions than those of Taiwan's own business community (and to a lesser extent, other overseas Chinese businessmen).

Ironically, the hardest investment decisions taken in Taiwan over the next few years may be those taken by the Taiwanese themselves. Bankers already report some sign of inhibition from local investors.

The Chinese leadership in Peking has indicated that foreign investments will be respected if and when Taiwan is reunited with the mainland, but considerably more doubt exists whether "indigenous" Chinese investment would be accorded similar treatment.

The doubt also applies to investments made by overseas Chinese businessmen operating from Hong Kong or Singapore.

Taiwan's other main worry is to ensure that being "frozen out" of the international community politically and diplomatically does not lead to a freeze on foreign markets.

Now, there is no indication that this is about to happen: the island's global trade performance presents a picture which is the reverse of withdrawal. Exports in 1978 rose 35.7 per cent to \$12.704bn (only \$7m less than exports from Korea, which has more than twice Taiwan's population).

But trade prospects are somewhat clouded by the restraints Taiwan faces in the markets of Europe and the U.S. (with which it maintains a large surplus) and by the fear of further protectionist moves.

Taiwan has thus built up exports to south east Asia and the Middle East. It is slowly making inroads into the Japanese market (where a surplus exists in Japan's favour nearly as large as Taiwan's own surplus with the U.S.).

(Phillips, being the largest) but they account for much less of the total than those of either Japan or the U.S.

The consequences of the winding up of the U.S. military presence on Taiwan are harder to assess. U.S. military personnel left the island at the end of April. Before they did so, their numbers had been reduced from a peak 10,000 (at the height of the Vietnam war) to about 700 (on the eve of the normalisation broadcast).

In the view of U.S. military, the pull-out means the loss of a potentially important Far East strategic base. Taiwan's military

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UK NEWS

Spring boost for retail sales

BY DAVID FREUD

RETAIL sales appear to be picking up vigorously after the slow-down over the winter.

A cross-section of non-food shops report buoyant trading for the past eight weeks or so, while forecasts for the rest of the year have been upgraded.

It is still too early to establish to what extent the recovery represents renewed consumer confidence or an increase in the low level of sales in January and February, but the demand was dampened by bad weather and industrial disputes.

The last figures available—covering March—show that sales has returned to about the level of last autumn. The revised index for the volume of retail sales, released yesterday by the Department of Trade, was 110.8 (1971=100).

This was close to the provisional estimate of 110.5 and compares with 110.4 for February and 109.6 for January. Overall, sales in the first quarter were 1.3 per cent lower than in the previous three months. However, they were 3.7 per cent higher than in the same period of 1978.

The recovery seems to date from about the end of March. Figures released by the John Lewis Partnership show that after a poor start to the year turnover in the 13 weeks to April 28 was 18.2 per cent higher than the same period

last year. This implies a substantial volume gain.

British Home Stores reported yesterday that sales were now "very buoyant" and "above expectations," while Mr. Philip Harris, chairman of Harris Carpets, which includes the Queensway furniture retailers, also reported a strong recovery in sales.

He said: "The first five weeks of the year were poor, but after that sales have been pretty buoyant. In the last eight to 10 weeks turnover was more than 20 per cent above the level of a year before."

Marks and Spencer said that while Easter made comparisons difficult, there was significant growth in sales in three of the four weeks in April.

The Retail Consortium, which represents a wide range of store groups, said there were already indications that people were buying ahead of possible increases in VAT rates as suggested by the Conservative government campaign.

The consortium, which had been forecasting an annual increase in the volume of sales between 2 and 3 per cent in 1979, now believes the figure could be nearer 5 per cent.

The pick-up was likely to be reinforced by the return of a Conservative government as there could, according to the consortium, be some easing of pay restraint and a correspond-

HIRE PURCHASE CREDIT AND RETAIL SALES
(Seasonally adjusted)

	New credit-extended by			Retail volume (revised)
	Finance Houses	Retailers	Total debt outstanding (unadjusted)	
1977 1st	—	—	—	103.3 115
2nd	596	507	4,205	102.4 118
3rd	657	546	4,482	104.2 121
4th	736	542	4,797	104.7 122
1978 1st	809	565	5,053	104.4 124
2nd	901	605	5,496	107.9 129
3rd	895	647	5,810	110.7 134
4th	958	618	6,211	111.7 134
1979 1st	934	652	6,427	110.3 131
October	306	202	5,969	110.2 132
November	344	217	6,140	110.5 132
December	308	199	6,211	113.8 137
1979				
January	300	225	6,236	109.6 127
February	311	220	6,316	110.4 137
March	323	207	6,427	110.8 129

Source: Department of Trade

ing increase in earnings. This could push up sales in the second and third quarters, before higher inflation began to have an impact towards the end of the year.

A breakdown of the figures shows sales of durable goods in

January-March were 2 per cent below the previous quarter, as were sales from other non-food shops.

There was a 0.5 per cent rise in food sales, but clothing and footwear sales were 3 per cent down.

Abbey National reorganises

By Michael Cassell

THE Abbey National—Britain's second largest building society—yesterday announced details of a major management reorganisation.

The move follows the recent retirement of Mr. Tim Timberlake, the society's chief general manager and one of the best-known building society figures.

Mr. Clive Thornton, the new chief general manager, who is quickly becoming known for his progressive views on the future of societies, said yesterday that the reorganisation reflected the changing role of the Abbey.

Five general managements have been established—Mr. John Bayliss heads the field operations and development division, Mr. John Fry takes over marketing and planning, Mr. G. McKenzie is establishment, and Mr. R. Renold is in charge of the housing division.

Methven hails Tory win—but 'hard going' ahead

By MAURICE SAMUELSON

SIR JOHN METHVEN, director of the Confederation of British Industry, last night hailed Mrs. Margaret Thatcher's election victory as a boost for the economy, while at the same time warning against premature euphoria.

He told businessmen in London he was "delighted" to have a Premier and Government who were "truly and publicly committed" to creating the climate in which business in the UK could again thrive and prosper.

However, the coming months would be "hard going." Inflation could be back in double figures, growth was slowing and, with both trends reversed, unemployment was likely to rise. Company profitability was still depressed and the world trade outlook had worsened need for it.

Lynch visit to Thatcher

By Stewart Delby in Dublin

MR. JACK LYNCH, the Irish Prime Minister, will pay a brief courtesy call tomorrow on Mrs. Margaret Thatcher.

Mr. Lynch and his Ministers have made it clear for some months that when a new British Government was chosen they would not be circumscribed by new and ever-changing laws and rules.

On industrial relations, he called for a determined but careful effort to get the balance of power right between employers and organised labour.

Everybody wanted to avoid a major upheaval in legislation in this field, but some changes were necessary, after proper consultation.

"There has to be consultation because no normal, reasonable person wants confrontation and there is no

It seems that Mr. Lynch will seek a further, more business-like, meeting with Mrs. Thatcher.

Vance coming for talks

By JOHN LLOYD

BY OUR FOREIGN STAFF

MR. CYRUS VANCE, the US Secretary of State, is to visit Britain on May 20 and 21 in an attempt to ensure harmony between the foreign policies of Washington and the new Conservative Government.

The Foreign Office says that the talks between Mr. Vance and Lord Carrington, the Foreign Secretary, will be a "general review of world problems."

The talks will be without any formal agenda and, by stressing that they will deal with such matters as SALT and the comprehensive test ban negotiations—the only talks between the US and USSR where Britain sits with the superpowers—the Foreign Office is to some extent "de-emphasising" Africa.

Namibia and Rhodesia are bound to be among the main subjects discussed. London and Washington are both concerned at balancing the mounting calls in their countries to end the confrontation with the white regimes in South Africa.

In Britain the pressure is from the supporters of the new Government but in the US it is mainly from opponents of the Carter administration.

Mr. Vance has been seeking to ward off attempts by the anti-sanctions lobby in the US Congress to force the lifting of the US trade embargo on Rhodesia until after seeing Lord Carrington and, until after President Carter makes his own decision on sanctions.

Mr. Vance has said this decision will not be later than June 15.

The US Administration, while officially non-committal on sanctions on Rhodesia, may already be shifting its attitude slightly closer to that of the Conservatives.

Jay resigns as envoy to U.S.

By JUREK MARTIN

MR. PETER JAY, the British Ambassador to the US, has submitted his resignation to the British Government, the Embassy in Washington announced yesterday.

Mr. Ivor Richard, Ambassador to the United Nations, the only other current political appointment in the British Diplomatic Service, has done likewise.

Both offered to resign last Friday, as soon as it became clear that Mrs. Thatcher's Conservative Party had won the election. They have offered to stay until replacements are found.

It may take several weeks, especially in Mr. Jay's case, for the Government to find a successor. A faint possibility remains that Mrs. Thatcher might ask Mr. Jay to stay longer.

However, Mr. Jay, Mr. Callaghan's son-in-law, would clearly prefer to leave Washington and return to private life, probably, in the first instance, to write an economics book. His appointment two years ago in succession to Sir Peter Ramsbotham, now Governor of Bermuda, caused a political uproar, partly because of the suggestion of nepotism and partly because of derogatory comments by Mr. Callaghan's associates about Sir Peter's abilities.

Since the storm died down, however, Mr. Jay has sought, with some success, to build on the good Anglo-American relations stemming from the close personal ties between President Carter and Mr. Callaghan.

Mr. Jay has, sometimes controversially, also managed some streamlining of the large staffs at the Embassy and in the New York consular and information offices. He has, however, found himself unable to do much about the size of the British military representation in Washington.

Mr. Jay has established a good working connection with senior Administration members, notably Mr. Cyrus Vance, the Secretary of State, and Dr. Zbigniew Brzezinski, National Security Adviser.

A framework for radical reform was established by the first report of the House of Commons Select Committee on Procedure, published last year, which advocated 12 departmentally related Select Committees to "shadow" each of

Coal Board amplifies plans for major pits

By JOHN LLOYD

THE National Coal Board yesterday gave details of big mining developments which are being prospected and which would extend and increase its production into the 1980s and 1990s.

The developments, at least two of which have received little more than local publicity, were disclosed on the first day of preliminary hearings into the future of Belvoir, the Vale of Belvoir, and the proposed coking coal pit at Margam, South Wales, all of which are well known.

Asked about the development of the Oxfordshire coalfield, about which there has been speculation, Lord Colville of Culross, who represents the NCB in the Belvoir inquiry, said: "We have not even begun discussions with the local authority: information would be minimal."

Earlier, the inquiry, with Mr. Michael Mann, QC, in the chair, heard complaints from residents and groups in the area that the information they had received had indeed been minimal, or, in some cases, not forthcoming. Particular concern was expressed over the siting of the new 60m tonnes of workable coal had supplanted inadequate evidence.

The second field, near Coventry, is an extension of reserves which are being worked at the Davy Mill colliery. A feasibility team has been set up to detail issues on which the inquiry proper, which will begin in October, should concentrate. These included consideration of national energy

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UK NEWS

Britain's households decline in size

By Our Consumer Affairs Correspondent

THE SIZE of British households continued to fall in 1977 according to the report of the General Household Survey, published yesterday.

The survey, of 25,000 adults throughout the country, revealed that the average household size fell from 2.91 people in 1971 to 2.71 in 1977. This largely reflects the increase from 17 to 21 per cent in the proportion of households with one person living alone.

The industry's sales in 1977 were just under £1bn, of which about half were exported. The UK's share of the world's £7.9bn trade in this sector has increased to just under 10 per cent with a workforce of about 94,000 people.

Although the industry's record has been successful for the last few years, the working party says: "The main constraint on the ability to expand production and take advantage

of this trend is a critical shortage of manpower with certain skills, most particularly software specialists. These shortages are likely to become worse as time goes on."

The report estimates that the industry is at present short of some 9,100 people—2,700 crafts- and operators and 6,400 qualified and technical staff. A sample of companies would like to employ a third more computer programmers and analysts and a quarter more technical authors.

Some of the shortages of manpower could be alleviated by increases in automation and the deskilling of routine operations. Government assistance might be needed to encourage computer-aided...
b companies to invest in computer-aided design equipment.

The working party says that

public sector purchasers should have a careful regard for the health of the industry when ordering equipment. In particular, products developed for a UK customer should be designed with a view to possible export.

The working party also says that the public sector should refrain from importing products for which the UK industry has established or would like to establish a manufacturing capability. The Department of Health and British Aerospace are singled out for this advice.

A survey relating to the productivity of 43 plants covering two-thirds of the sector's employees yielded results which the report says were "not entirely reassuring". The performance of the best UK companies was as good as any in the world, but the rest could benefit from better management techniques.

Electronics industry 'short on skills'

By MAX WILKINSON

THE PROGRESS of Britain's successful capital electronics industry is threatened by shortages of skilled manpower, says an industrial strategy report published today.

The report, from the National Economic Development Council sector working party on Radio Communications, Radar and Navigational Aids, says the industry has doubled its balance of payments surplus since the end of 1975 to £273m.

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Mining machinery sales show a rise

By JOHN LLOYD

UK MINING MACHINERY SALES (£m)

	Total	Export as % of sales production	Exports at 1975 prices	Total sales at constant 1975 prices	Exports at 1975 prices
1975	294.9	41.1	13.9		
1976	331.6	42.6	12.8		
1977	360.7	45.6	12.4		
				(first half 167.9)	16.2

ment of the export target relates on a number of large contracts being won in the face of strong international competition."

Besides China, the U.S. is identified as a major market opportunity for UK manufacturers, in part because the doubling of U.S. coal production called for by 1980 (from 550m tonnes to more than 1,000m tonnes) will require longwall mining machinery, in which the UK is the world leader.

The rise is to cover increasing maintenance, running expenses, insurance and security. The Royal Academy also needs more revenue because of the loss on the Gold of El Dorado exhibition, which failed to recoup its £750,000 investment. The Academy was a backer.

• The finest collection of French

furniture to appear at auction

for almost a century comes

under the hammer at Monte

Carlo next month in a sale

organised by Sotheby's.

The collection belongs to a

Middle Eastern businessman

who acquired it from the

Wildenstein family of art

dealers in 1977.

Academy's exhibition charges up

By Antony Therncroft

THE Royal Academy's Summer Exhibition, which opens on May 19, will cost artists and the public more this year. The price of admission has been increased from 90p to £1 and artists will have to pay 20 per cent commission rather than 15 per cent of the value of any work sold.

The rise is to cover increasing maintenance, running expenses, insurance and security. The Royal Academy also needs more revenue because of the loss on the Gold of El Dorado exhibition, which failed to recoup its £750,000 investment. The Academy was a backer.

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UK NEWS — LABOUR

Civil servants threaten action on 'victimisation'

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVANTS yesterday threatened further industrial action if there was any "victimisation" of staff who took part in the recent strike campaign over pay.

All nine Civil Service unions last week formally accepted the pay deal which will give increases by January averaging 25 per cent, and set up negotiations with the Civil Service Department over insistence that for the period of their action strikers should lose their seniority, which can be important for promotion.

But the Society of Civil and Public Servants, at its annual conference in Brighton yesterday, went further than its executive's agreement for departmental talks by instructing the executive to take industrial action, if necessary, over "prejudicial action" against civil servants.

Mr. Gerry Gillman, general secretary, said the society was not going to allow any victimisation of those members who bore the brunt of the pay struggle. There would be no agreement to clear the backlog of work from the strike while

"this pig-headed and vindictive attitude" remained.

Delegates censured the executive for its handling of the return to work of members in the Scottish Office who were suspended during the pay campaign for refusing to take on work normally done by those on strike.

A motion calling for the resignations of Mr. Gillman and Mr. Campbell Christie, deputy general secretary, for their part in the pay settlement was withdrawn, however, and the executive staved off further censure over pay, seniority and suspension.

Defence

Mr. Gillman put forward a spirited defence of his and the executive's position in reaching a quick pay settlement before the general election.

He said: "Mrs. Thatcher has come to power on a programme of tax cuts financed by public expenditure cuts and buttressed by a policy of being tough with the unions. I don't believe she would have demonstrated that she would have been softer with

striking civil servants than Mr. Callaghan had been."

He warned against the "tragedy" of falling into "petty squabbling" in the face of the challenges posed by the new Government. The arena of battle for the Civil Service under the Conservatives was likely to shift from pay and incomes policies to staff cuts.

As the realities of office crowded in on Mrs. Thatcher, she would realise that the new government's policies of strengthening defence, law and order measures, immigration control, and changing social security benefits for strikers and others, would be bound to lead to an increase in civil servant numbers, Mr. Gillman said.

Mr. Alan Shute, assistant general secretary, said the message to Mrs. Thatcher was that if she thought it was firm government to bash the Civil Service then she would face firm opposition from society members.

Delegates also registered their opposition to any proposals to make strike action illegal and condemned the general council of the TUC for failing to support public service workers in their campaign against government pay policy last winter.



New team takes over

BY OUR LABOUR STAFF

Mrs Thatcher's new team at the Department of Employment started work in St. James's Square, London, yesterday.

LEADERS OF the National Graphical Association will consider new proposals tomorrow for ending the dispute that led to the suspension of Times Newspapers publications more than five months ago.

They represent the first real ground for hope that a settlement will be reached between the two sides since talks broke down nearly a month ago. Union discussions are expected to centre on the possibility of NGA members operating the keyboards when feeding in original copy while journalists make corrections and changes on "live" visual display terminals.

The proposals on a formula for introducing computer-linked keyboards into the production process were put to the union during 12 hours of talks with management last Friday.

Meanwhile the 250,000-member NUT continued its withdrawal from non-teaching work in support of all-round improvements to the offer, including a reference of the 36.5 per cent claim requiring the commission to base its study on the favourable pay relatives accorded to teachers by the 1974 Houghton Report.

School work-to-rule 'for another week'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

SCHOOL DISRUPTION by the 112,000-member National Association of Schoolmasters and Union of Women Teachers in England and Wales will continue for at least another week, according to Mr. Fred Jarvis, general secretary of the National Union of Teachers, yesterday.

Mr. Jarvis, who leads the unions' panel of the Burnham pay-negotiating committee, said in London that he had been in touch with the local education authorities and the Department of Education and Science to press for an early meeting on the dispute over the union's 36.5 per cent claim.

But the Government wanted time to consider the 9 per cent cash offer and the terms for reference of the claim to the Pay Comparability Commission, which led Labour Ministers to suspend negotiations 13 days ago. Thus, no Burnham meeting was likely until the beginning of next week at the earliest, Mr. Jarvis said.

In London, the 20,000-strong National Association of Head Teachers sent a letter to 10 Downing Street, asking Mrs. Margaret Thatcher to intervene and to press Mr. Mark Carlisle, Secretary for Education and Science, to review the Burnham procedure for negotiating the pay of the 482,000 State school-teachers in England and Wales.

The Burnham machinery, under which the NUT controls the unions' panel and minority interests are not allowed to speak in full meetings of the committee, is in part to blame for the present disruption.

Post Office offers union new pay talks

BY OUR LABOUR STAFF

THE POST Office told the Union of Post Office Workers yesterday that it was prepared to enter further discussions on certain parts of the offer rejected last week by union ballot.

At a meeting with the union, whose members rejected the 12 per cent offer on a vote of more than 5-1, the management said it was prepared to enter further negotiations on affiliation clauses in the offer.

These clauses, which include greater use of casual and part-time labour and more efficient methods of measuring work, were the principal reasons for the rejection of the offer.

The Post Office also said that

Restructuring bid to end telephone bills strike

BY PHILIP BASSETT, LABOUR STAFF

THE POST OFFICE board will hold a special meeting today on pay and the effects of strike action by computer and clerical staff which has halted the issue of telephone bills for more than a month.

The board will hear a report on new pay proposals which were put to all six unions, representing 200,000 telecommunications workers last week. The proposals involve major restructuring of the grades and a move to a common settlement date in July.

The Society of Civil and Public Servants, which represents about 6,000 Post Office staff, has rejected the offer of a 9 per cent increase, with further rises of 2½ per cent for those with an April settlement date and average increases of 5½ per cent for the grade restructuring.

Poll candidates 'turned away by six companies'

SIX PROMINENT British companies were accused yesterday of refusing parliamentary candidates the opportunity of addressing workers at some of their southern plants.

Mr. Tod Sullivan, national secretary of the white collar section of the Transport and General Workers' Union, said that the companies were Whitebread, Electrolux, SKF, Brown Boveri, Kent, Vauxhall Motors and Chrysler.

In a letter to the chief executives of the six companies, Mr. Sullivan said that during the election he acted as the liaison officer for the trade unions in Luton, where it had been the practice in a number of elections for candidates of the main political parties to address the workforce during meal breaks or to visit the plants during the election campaign.

"In this election, every one of your companies refused permission for candidates in the Luton East and Luton West constituencies to visit your plants.

We were told that this was an executive decision, and yet candidates in Ellesmere Port visited the Vauxhall plant and candidates in Coventry visited Chrysler at Ryton.

"In fact, the only company in Luton which allowed the candidates to visit its plant was Laporte Industries, and that visit arose from a request by the local Conservative candidate," he said.

I am shocked and surprised that companies which should be seeking to defend democracy have acted in a way which diminishes democratic discussion during an election period. It is no excuse to declare that the National Front and Communists had candidates in the area; as private organisations have the right to limit the candidates visiting a site to the three main parties", said Mr. Sullivan.

"Whatever the result in Luton, I believe that democracy has been diminished by your attitude and actions."

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Extracts from the report of the Chairman, Lord Beswick.

	1978	1977
Sales		
Sales	£894m	£860m
Exports	£487m	£536m
Order book	£2,951m	£2,283m
Profits		
Trading profit	£79m	£75m
Profit	£60m	£63m
(after new project launching costs of £11m (1977 £5m) and loan interest)		
Net profit after tax	£29m	£29m
Assets		
Assets employed	£322m	£285m
Return on assets	26%	27%
New investment		
(Financed entirely by funds generated internally)		
Fixed assets	£28m	£18m
Work in progress	£56m	£8m

Copies of the 1978 Report and Accounts may be obtained from HM Stationery Office. Price £2.

BRITISH AEROSPACE

Weybridge, Surrey.

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Ireland's largest Industrial Company

	1978	% INCREASE
Sales	£173.5m	+29%
Profit before tax	18.1m	+23%
Earnings per share	12.53p	+18%
Dividend per share	3.85p	+30%

"The Group showed its resilience and the breadth of its base in bringing in these results."

Good progress has been made in reaching a balanced spread of investment both in product terms and geographically.

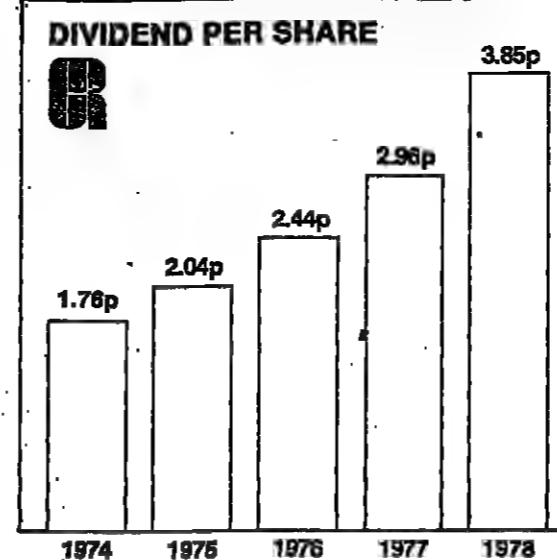
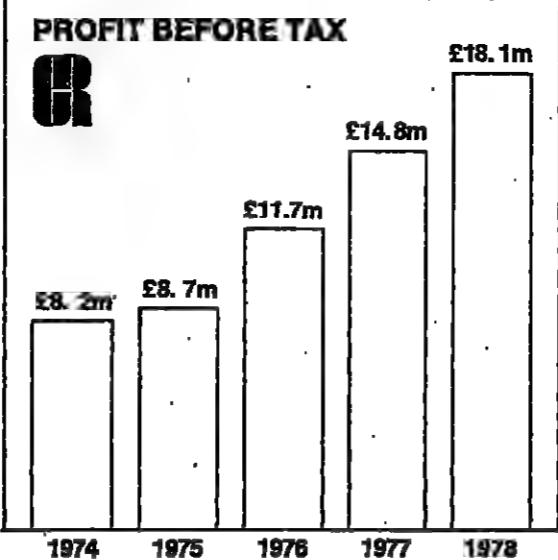
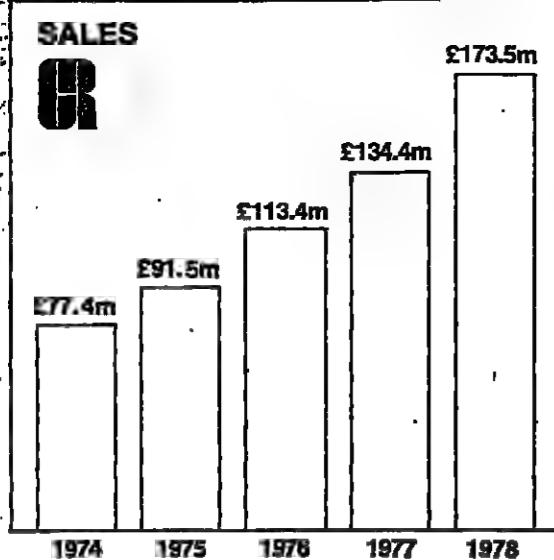
£29.2m successfully raised by the Rights Issue will

improve the Group's ability to develop further.

Provided we enjoy stability in the working environment we expect to maintain good growth.

All in all the year ahead looks promising."

Michael J. Dargan, Chairman.



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Cement-Roadstone Holdings Limited

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APPOINTMENTS

Metal Box group changes

Sir Alex Page, chairman of Metal Box, having reached retirement age, will be retiring as chairman and from the Board at the conclusion of the annual meeting on July 27. Mr. Bert E. Haffner, vice-chairman, will be retiring from the Board on the same date.

The new chairman will be Mr. D. L. Allport, at present deputy chairman, who will also be chief executive. On June 1, Mr. Allport will relinquish his position as managing director and be succeeded in that post by Mr. R. J. W. Frost.

From July 28, Mr. J. G. Gilber-ton and Mr. J. G. Hodder will become vice-chairmen of the company and Mr. Hodder will be replaced as secretary of the company by Mr. J. Piper.

Organisational changes effective from June 1 are being made.

Responsibility for operations is being vested in divisions, each managed by a main Board director. These divisions replaced the three operating companies, Metal Box Packaging, Metal Box Diversified Products and Metal Box Overseas.

The divisions and their chairmen will be: Metal Box Open Top Mr. B. N. Gilson; Metal Box General Line, Mr. R. M. O. Stanley; Metal Box Paper and Plastics, Mr. P. B. Blackwell; Metal Box Overseas, Mr. I. R. M. Willis; Ideal Steirax Group (Metal Box), Mr. R. G. A. Haynes; Metal Box Engineering, Mr. D. H. O'Shaughnessy; and Metal Box Research and Development, Mr. C. I. Mellor.

Additionally, Mr. Mellor has been appointed corporate strategy director and Mr. O'Shaughnessy, technical director. Mr. J. E. B. Steve continues as finance director and Mr. W. Barclay as personnel director.

Mr. John Perry has been appointed president of the DIVERSEY CORPORATION, succeeding Mr. George Hunt, who continues as consultative director. Mr. Perry joined Diversy in the UK in 1959, becoming managing director in 1974. In 1977, he transferred to the corporation's Chicago headquarters where he succeeds

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Organisational changes effective from June 1 are being made.

Responsibility for operations is being vested in divisions, each managed by a main Board director. These divisions replaced the three operating companies, Metal Box Packaging, Metal Box Diversified Products and Metal Box Overseas.

The divisions and their chairmen will be: Metal Box Open Top Mr. B. N. Gilson; Metal Box General Line, Mr. R. M. O. Stanley; Metal Box Paper and Plastics, Mr. P. B. Blackwell; Metal Box Overseas, Mr. I. R. M. Willis; Ideal Steirax Group (Metal Box), Mr. R. G. A. Haynes; Metal Box Engineering, Mr. D. H. O'Shaughnessy; and Metal Box Research and Development, Mr. C. I. Mellor.

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Energy growth boosts fully diluted earnings to record \$4.30.

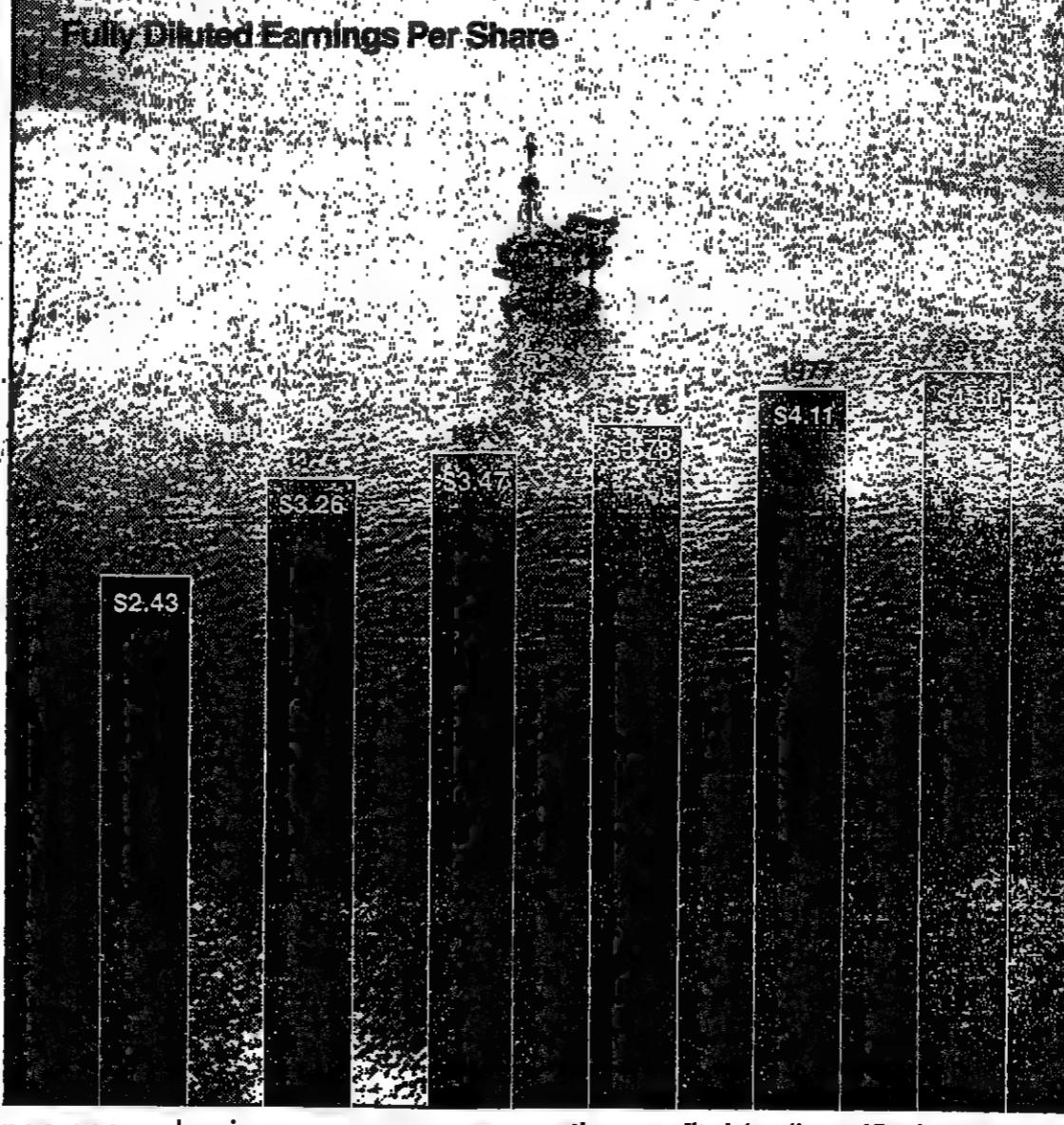
Tenneco's success in oil and natural gas played a major role in moving 1978 fully diluted earnings per share to \$4.30, topping five years of steady growth from \$2.43 in 1973. At the same time, primary earnings per share were increasing to \$4.53 on 96 million average shares outstanding, up from \$2.79 on 73 million shares.

Other record highs were set in 1978 as well. Net sales and operating revenues reached \$8.8 billion, up 116% from \$4.1 billion in 1973. Net income rose 94% to \$466 million from \$240 million five years earlier.

During that same 5-year period, capital expenditures increased 151% to \$1 billion and total assets climbed 81% to \$10.1 billion. In its 35th year, Tenneco is the youngest company in the nation's top 25 industrial corporations.

Tenneco's emphasis on energy has increased earnings from our oil and natural gas businesses by more than 172% since 1973; today energy generates two-thirds of the Company's income. Because the need and the opportunity are so great in this field, we will continue to invest most of our resources in energy for the foreseeable future.

We will also continue to strongly support our diversified



non-energy businesses—construction and farm equipment, automotive components, chemicals, agriculture and land management, packaging, shipbuilding and insurance.

That's Tenneco today: a growing energy company with

other profitable diversified businesses, well positioned for future growth.

For further information, write Tenneco Inc., Section X-2, P.O. Box 2511, Houston, TX 77001.

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POCLAIN LTD. • TENNECO CHEMICALS EUROPE LTD. • TENNECO INTERNATIONAL HOLDINGS LTD. • TENNECO WALKER (UK) LTD.

TENNeco COMPANIES IN THE UNITED KINGDOM

American Express Company and its subsidiaries are on Prestel -dial 269 for more information.

Master Page-269

News Releases-2690

Company Information-2691

Card Division-2692

International Banking Corporation-2693

Travellers Cheques-2694

Travel Division-2695

Special Feature-London Restaurant Guide-269 241 00

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UK NEWS

NEB's RECORD DEFENDED BY CHAIRMAN SIR LESLIE MURPHY

Plea to protect board from 'political dogma'

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

RESULTS OF THE NEB's COMPANIES

SUBSIDIARIES:	£m		Investment
	1978	1977	
BL	1.70	3.19	855.52
Rolls-Royce	11.89	20.35	265.00
Ferranti (now an associated company)	9.59	6.14	6.94
Herbert	(2.76)	0.13	41.62
Fairley Holdings	5.19	—	18.00
Cambridge Instrument	(2.25)	—	7.52
Data Recording Instrument	(0.38)	0.32	4.98
United Medical Enterprises	0.75	(0.04)	6.22
Sinclair Radionics	(1.98)	(1.29)	4.45
Systems Programming Holdings	0.33	0.04	1.40
Bull Motors	(0.47)	—	1.02
Mollart Engineering	0.20	0.19	0.38
Ketland Electrics	(0.01)	0.02	0.14
INMOS	(0.51)	—	0.59
INSAC Data Systems	(1.30)	(0.18)	2.15
Thwaites and Reed	(0.16)	(0.23)	—

ASSOCIATED COMPANIES:	£m		Investment
	1978	1977	
Agemaspark	0.09	0.08	0.38
Aquasila Products	(0.04)	(0.02)	0.12
Automation and Technical Services	0.02	—	0.15
British Tanners Products	0.28	(0.07)	4.50
Brown Boveri Kent	1.12	—	3.29
R. R. Chapman (Sub-Sea Surveys)	0.03	0.05	0.05
Computer Analysts and Programmers (Holdings)	0.30	—	0.55
Computer and Systems Engineering	0.16	—	1.23
Hydraroll	(0.03)	(0.01)	0.12
ICL	0.04	7.21	12.13
Mayflower Packaging	0.03	—	0.12
Monotype Holdings	(0.11)	—	1.75
Negretti and Zambra	—	—	1.17
North East Andie	0.02	—	0.44
Pakmet International	0.01	(0.01)	0.30
Powerdrive PSR	0.05	—	0.27
Sandiacore Electrics	0.04	—	0.17
Systems Designers International	0.03	—	0.33
Systime	0.27	0.02	0.30
Technical Resources (Equipment)	—	—	0.34
Twinlock	0.29	(0.02)	1.00
Vicor of London	(0.02)	—	0.20
Held by subsidiaries	(0.25)	(0.03)	17.26

ASSOCIATED COMPANIES AND OTHER INVESTMENTS FOR WHICH PROFIT FIGURES ARE NOT AVAILABLE

	Total	Investment
Duo Rubber and Engineering	£m	
The Energy Equipment	0.16	
J. and P. Engineering (Reading)	0.30	
Newtown Securities (Northern)	0.15	
Technical Resources (Equipment)	0.12	
BTB (Engineering)	0.34	
Francis Shaw	0.03	
Hemmings Plastics	0.75	
Hird-Brown	0.10	
F. W. Elliott (Holdings)	0.40	
	0.15	

Continuity

He stated: "Perhaps I may be allowed to express the hope that it will do this objectively, not influenced by dogma either of the Left or of the Right and with a proper regard for the need for some degree of continuity of approach to the nation's industrial affairs."

Explaining why he believes that the NEB's entrepreneurial activities should not be pruned he wrote: "It may be asked why there is any need for the

continuity of approach to the nation's industrial affairs."

The sectors in which the NEB is currently interested include automotive products, aero engines, computers and electronics (including software),

No. two or three years later, Herbert is half-way through a five-year plan to transform the company from a low-technology machine tool manufacturer," declared Sir Leslie.

It was partly the "deep-seated problems in companies like Herbert" which had kept the NEB's return on capital employed down to 11.3 per cent (excluding BL and Rolls-Royce) for the year. This was almost

exactly the same as the 11.4 per cent result in 1977. It did not show the progress hoped for by Sir Leslie towards the target of 15 to 20 per cent by 1981 set

NEB CONSOLIDATED PROFIT AND LOSS ACCOUNT

	1978	1977
Turnover	£m	£m
Operating profit before interest	102.9	96.4
Share of profits of associated companies	11.5	5.3
Costs of exception manpower reductions in BL	13.6	—
Interest payable less receivable	100.5	101.7
Profit before taxation	30.7	34.2
Taxation	19.4	13.8
Profit after taxation	11.3	20.5
Minority interests	5.3	4.7
Profit before extraordinary items	6.0	15.8
Extraordinary items	(47.3)	(45.5)
Loss after extraordinary items	(41.3)	(30.7)

by the last Government in December, 1977.

Part of the reason for the lack of improvement was also because the NEB did not deliberately set out to "buy profits."

Referring to BL and Rolls-Royce in his statement, Sir Leslie said that both had made "substantial progress." But for BL 1978 was a "year in which we need to see a substantial improvement in performance."

Among the companies in the 1978 operating profits of £114m was the first joint venture with clearing banks. The NEB had set up its first joint venture with a major U.S. company. But it would take "several years" for the results of the NEB's work as a "bridge between State ownership and private entrepreneurial activity" to be reflected in its annual profits.

"I believe that 1978 has seen a considerable strengthening of that bridge and a recognition, free from doctrinal hostility, that in the UK such a bridge is not only necessary but beneficial."

Sir Leslie explained that in the past the NEB had been "rather coy" about its activities. This was "partly to avoid the trap of claiming success before it is assured and partly to avoid the danger of frightening people off." Now that the NEB had made some progress and was regarded with "less hostility" it had decided to spell out more detail on its activities.

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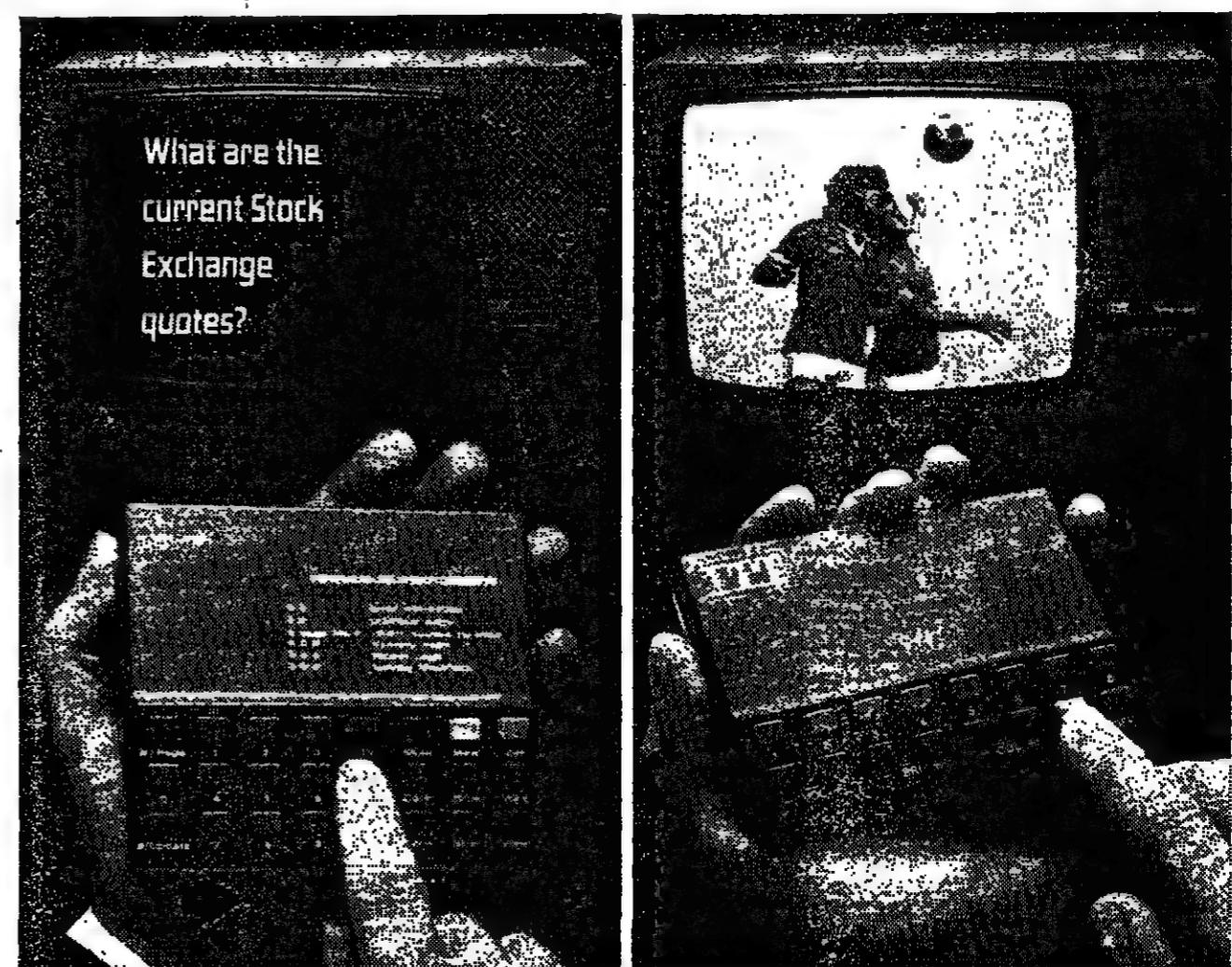
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by the end of March this year, the NEB's commitments against its statutory borrowing limit totalled about £800m. The Industry Act, which became law just before the election campaign, raised the immediate

NEB Annual Report and Accounts 1978. NEB Information Department, 12-18, Grosvenor Gardens, London SW1W 0DW. Price £2.

ITT mixes business with pleasure.



As one of the world's leading telecommunications companies, ITT has been prominently involved in the development of Viewdata. But the company also manufactures some of the most advanced radio and TV consumer products.

This dual interest puts ITT in a unique position to provide the best possible Viewdata product for you.

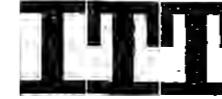
For not only did the company work closely with the Post Office in developing the first European Viewdata link, but it has also developed TV sets that are specifically

designed for Prestel, the Post Office's Viewdata system. Both ITT's Viewdata set (on the left), and the new domestic TV (on the right), feature the remote control that works in and out of the set.

Now Prestel is a public service, ITT have developed an advanced receiver designed for Viewdata use.

Find out more about ITT's Viewdata sets by writing to Viewdata Group, ITT Consumer Products, Chester Hall Lane, Basildon, Essex. It'll be a pleasure to do business with you.

Viewdata



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28 St. Andrew Square, Edinburgh EH2 1YF.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

LASERS

Powerful unit hits tiny spot

INDUSTRIAL POWER beams section of BOC, Daventry, is making and marketing a new 500 watt CO₂ laser. It is a fast axial flow type and has a high performance/power ratio.

The model produces a beam which can be focused to a spot of less than 0.15mm diameter. This means that it can produce narrow, deep penetration cutting operations for the given power output and it has been designed specifically with a view to producing good quality cutting operations in a production environment for metals, woods, plastics, etc.

Optional extra equipment is available including X Y table, (03272) 4813.

MAINTENANCE

De-frosting speeded

ONE OF Britain's biggest producers of frozen vegetables, Wold Farm Foods at Grimsby, has obviated the shutting down of its freezer units during defrosting and washing out operations, by installing batteries of fixed spray nozzles. Previously three men with hose pipes undertook the task.

The system was devised and installed by the company's engineers in consultation with CT (London), 3 Hobart Place, London, SW1 (01-235 1304), exclusive UK distributor for nozzles and accessories manufactured by Spraying Systems Co., Wheaton, Illinois.

The switch from manually operated hoses to fixed spray nozzles means that, apart from significant saving in labour, output capability at the Grimsby factory has also substantially increased—particularly in the busy harvesting season from June to September.

The plant operates a bank of three freezer units which, during the peak season, are working 24 hours a day, seven days a week. Defrosting of the ammonia coils is by built-in sprays working continuously in sequence throughout the freezing operation. General accumulation of ice within the freezer cabinet, however, must be washed away periodically if production is to continue without damage to the conveyor.

It is desirable for washing out to take place every 48 hours and, before the spray systems were installed, this could only be achieved by shutting down the units for at least six to eight hours while a three-man team washed out with hoses.

The job is now done automatically inside three hours, simply by opening two valves, although one man still needs to hose residual debris from the floor.

MACHINE TOOLS

Italian machine drills precisely

A CO-ORDINATE drilling machine from Industrie Meccaniche in Italy and available from Adam Machine Equipment, Luton Road, Harpenden, Herts, ALS 3DA (Tel. 05827 62423), is designed for sustained accurate work and to relieve costly jig-borers of many of the more routine co-ordinate drilling operations.

Specification of the 135A includes automatic feed with auto-release, and provision for

tapping holes with auto reversal. There are four rates of automatic feed; coarse and fine manual feed are by three arm capstan and cranked handle respectively.

Hardened and ground nickel-chrome steel spindle runs in high precision bearings and has two speed ranges, each infinitely variable while the machine is running. Speed control is by means of a cranked handle, although a servo-motor with

push button control can be specified. The speed is displayed on the front panel.

Co-ordinate table, measuring 800 x 300 mm, is in Meehanite cast iron and is mounted on prismatic guideways; it has positive clamping and stops at pre-set positions. The ground feed screws have a maximum error of 0.025 mm in 300 mm. Vertical motion available is 350 mm; maximum table load is 200 kg.

Will tackle big jobs

TYPICAL of a range of three machining centres from the Italian Berardi company and available in the UK from Selson Machine Tool Company is the MCTC 120 with a spindle diameter of 120 mm.

Employing computer numerical control, the cutting spindle is moved by two lateral ball screws mounted on each side. An infinitely variable range of spindle speeds from 30 to 2,250 rpm are available and the spindle, with a clamping force of 22 tonnes, has thermal compensation for overheating.

Maximum traverse in the vertical axis is 2850 mm, in the

longitudinal axis 1500 mm, with a traverse of 1150 mm and movement in the spindle axis of 400 mm. All traverse motions are by recirculating ball screws and bedway rollers. Rapid traverse operates at 10,000 mm/min.

The table measures 3100 x 1500 mm has a work load capacity of 5000 kg and is available in eight types including plain, rotary and pallet shuttle.

Tool magazines are offered with a capacity for 40, 50 or 60 tools and the tool changing time is nine seconds for tools of 315mm diameter and 60 kg weight.

Machines from Spain

ONE OF Spain's largest manufacturers of milling machines, Nicholas Correa S.A. has appointed Alfred Herbert to be its sole UK selling agent.

There are two basic machine configurations—knee type and bed type. Knee-type vertical milling machines are available in five sizes from 5.5 hp to 25 hp.

The machines can be fitted with a motorised overarm having an independent three-speed drive to provide a cross-feed. Further versatility can be built into the machines by fitting a universal head, which allows machining with any rake angle.

A number of automatic machining cycles can be built into the machines. The linear cycle provides complete automation of the longitudinal table traverse, while the pendulum cycle extends this control to reversing the direction of spindle rotation. A square cycle gives automatic control of two axes, either longitudinal and vertical traverses, or longitudinal and cross traverses, while a cubic cycle provides automatic control of all three axes.

The bed-type machines are said to be ideal for heavy-duty milling of large workpieces. The main motor is 20 hp. These machines are operated from a pendant control that gives the operator a clear view of the workpiece at all times. The machine will handle work-pieces up to 5,000 kg.

Further information on

01-839 1211.

CONFERENCES

Cooling with sea water

AS POWER stations move closer to the shoreline and fresh water becomes too expensive and impractical to use, sea water is fast becoming a major coolant for power plant, including ships' engines.

Sea water is notoriously corrosive but the use of titanium has minimised damage to machinery, while some metallurgists claim that copper alloys do the job as well.

"Cooling with Sea Water" is the theme of a conference organised by the Institution of Mechanical Engineers and due to be held next month.

Sponsored by IMechE's Steam Plant and Process Engineering Groups this conference will be held in IMechE headquarters in Birdcage Walk, London SW1 on May 15 and 16.

The proceedings have been divided into four sessions dealing with power stations, fouling, corrosion, use of titanium, and the use of copper alloys.

Papers are being submitted by CECB, Electricité de France and many metallurgical and engineering firms in the country. Closing remarks will be made by Mr. H. Watson, chief mechanical engineer for Kennedy and Donkin, Manchester, chairman of the Steam Plant Group.

Further information on

01-839 1211.

LIGHTING

Light for less power

GTE SYLVANIA has announced the introduction of two new fluorescent lamps—the 26mm-diameter ES100 and ES180 "Energy Saver" models.

For ES100, savings of 10 per cent over conventional 38mm lamps are claimed without the loss of light output. They are available in a range of standard colours and 18W, 36W and 58W "de-luxe" colours.

The 10 per cent lower wattage achieves between 10 and 50 per cent savings in energy over conventional tubes, dependent on the type of lamp replaced and whether they are used in existing or new installations.

The cost of the new lamps is higher than half that of the tri-phosphor tubes and only 40 per cent more than the standard tubes. This last cost difference, however, is quickly recovered over approximately six months.

When equipping new

schemes, they permit the use of

fewer and smaller fixtures. Six

ES 180 lamps deliver the same

light output as ten standard

de-luxe lamps, giving a saving

in excess of 45 per cent.

The new designs will be

available in the UK next year.

GTE, Sylvania, 29 Saltire

Rd, Shipley, West Yorkshire,

BD18 3HH. 0274 595921.

Housing

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Norwest
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G1-235 9951

MATERIALS

Withstands high heat

FIRST TWO of a family of thermoplastic polyester resins, believed to be among the most rigid engineering plastics developed, says Dr. Port (UK), 18 Bream's Buildings, London, EC4, have been introduced under the trademark "Rynite".

Performance properties of Rynite, says the company, make it suitable for applications currently manufactured in die-cast metals or thermoplastics. The resins promise to be of particular value in automotive under-the-hood applications which are subject to high heat and exposure to petrol oils and transmission fluid.

Other major applications resulting from the resins' combination of properties are expected to include appliance bases and handles, power tool housings, structural frames and a variety of hardware and consumer goods.

More on 01-248 8042.

RESEARCH

Burning issues examined

ACCORDING TO Battelle types of refuse in combination with coal in the laboratory's spreader-stoker boiler facility, and experiments will be made using different ratios of refuse to coal.

It is planned to measure stack emissions and search for trace metals, polycyclics and other trace constituents that might be environmentally unacceptable.

Battelle research staff are undertaking a \$1m study of the effects on the environment of burning municipal wastes to generate energy. During this, they will burn several different

PROCESSING

Makes timing marks on flywheel rims

DESIGNED specifically for permanently graduating timing marks, and code numbers on the rims of flywheels a machine has recently been built by Funditor of Wembley.

Marking of the precise timing graduations in automotive work

is maintained to an accuracy of ± 15 mins (0.25 degrees).

This machine is designed to accept 16 sizes of flywheel

ranging from 18^{1/2} in. (465 mm)

to 28^{1/2} in. (718 mm). Other

sizes can be accommodated with

tooling modification.

Marking is by hardened steel

steel or dies by a rolling action

whereby the indentation is

made progressively as the work

piece and marking tool, which

are in engagement with each

other under pressure, roll

repeatedly to one another. Thus, as

the entire mark is not made

instantaneously the applied pressure

is presented for marking at the

correct start point thus ensuring

the accurate positioning of

the timing graduations. It also

prevents the flywheel slipping

during the actual marking

operation.

In the rear of the machine

an easily accessible 5 hp motor

is housed which powers the

hydraulic systems for the mark-

ing slide and table. Push button

stations are provided to acti-

uate the marking cycle, a repeat-

stroke sequence and guard

interlock.

Funditor, South Way,

Wembley, Middlesex HA9 0HE.

01-902 3022.

Rope-making equipment from Denmark

PRODUCTION OF ropes is an ancient craft. In the past they were produced in a rope-walk; a long building in which the strands of rope would be twisted for a considerable length and then plied together. The amount of twist in each strand and its direction were co-ordinated with the twisting together into multiple cables and the resultant rope and this would ensure maximum strength.

Design of a rope and its balance to give the best possible tensile properties is a sophisticated task and laboratories throughout the world have been giving a great deal of attention to finding the best balance of properties to obtain the maximum tensile strengths and elasticities from various types of ropes.

Now, a range of equipment has been developed in Denmark by Roblon which is able to start with a rope yarn, convert this into a finished rope, coil it into a final pack and present it complete. This is a single and con-

tinuous process, Roblon (British agent: H. R. Carter and Son, 3, Square Street, Wakefield, Road, Bradford, W. Yorks. Tel. 0274 28364) builds a range of

different machines to produce

ropes of various strengths and

multiple cables in the

ropes.

The M55 is typical and this is

a machine that will strand

together at a rate of two turns

or twists, per revolution of the

rotating primary yarn carrier

on which are mounted 24

bobbins of rope yarn. These

can be used for making ropes of

1/2 in. to 1 in. (4 to 10 mm).

When the rope has been wound up to the required length the machine

will perfectly cut and close the

end and normally a coil of rope

will be made about every 30

seconds—depending upon

length.

Polypropylene is now the

major raw material of the rope

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Jonathan Carr visits a flourishing German engineering company

Search for a success formula

WHY ARE the West Germans generally so successful industrially and commercially? One suggestion is that they work harder than their competitors, which is often quite difficult to prove. Another is that the country enjoys a relatively high level of social peace, which is true but begs many other questions.

Part of the answer may be found by examining the structure and attitudes of a company in many ways representative of Germany's industrial strengths. That means taking a largish enterprise in the mechanical engineering sector, with a big and flourishing export business apparently undeterred by the constant rise in the value of the Deutsche Mark. Orenstein und Koppel, headquartered in Dortmund in the Ruhr region, fits the bill well. It also happens to have been pleased with the performance of its sales and manufacturing in Britain.

Expected

A talk with members of the O and K Board, including the "spokesman" (in effect executive chairman) Dr. Helmut Heusler, brings the expected emphasis on product quality, computerisation, after-sales service and so on. More surprising — to those who see the German industrial "miracle" as a purely post-war phenomenon — is the emphasis on history and tradition.

O and K is one of those many German companies which still successfully applies principles they did at around the turn of the century. The owner-

ship may have changed (O and K is now 50 per cent owned by Estel-Hoesch-Hoogovens, the German-Dutch steel group, via Hoesch Werke AG). Two world wars may have reduced the company for time to almost nothing. But the longer one talks the clearer the line of continuity becomes.

How does O and K feel about the new China trade? What is "new" about that, comes the return question, together with the proud demonstration of a letter from a Chinese building contractor praising O and K machinery. The document is dated October 14, 1908.

O and K's product range reflects this continuity. The firm's share of turnover (which totalled DM 1.13bn, or about \$600m, in 1978, 43 per cent of it from exports) comes from earthmoving machinery of all descriptions. The company produces everything from small, mobile hydraulic excavators to bucket wheel excavators of daunting size, capable of stripping 240,000 cubic metres of overburden a day in open pit mining.

Then the company is in the specialised shipbuilding business — dredgers in particular. It makes deck cranes, forklift trucks, railway equipment and, last but not least, escalators and automatic pavements. In other words, if there are materials to be mined or transported whether on land or sea, some part of the product range will fill the bill.

Might it not be better to concentrate company activity on one or two sectors at most? On the contrary, comes the

reply, all these activities are related. A client may not want a package deal involving the lot—but O and K's involvement in all makes it easier to tailor an offer to special customer needs, then expand the service as those needs grow. That service can include full cost accounting for every stage from minerals extraction, through transport to final production.

That is very much how the

Those who see the German industrial "miracle" as a purely post-war phenomenon are surprised by the emphasis on history and tradition.

company began. Founded by Benno Orenstein and Arthur Koppel in Berlin in 1876, its first business came from supplying portable, narrow gauge rail equipment to move materials quickly to and from mines and construction sites. The next stage was production of small, side-tipping trucks for quick unloading.

That in turn led naturally to the building of light railway locomotives, then to the realisation that the company could use its engineering expertise to gain business at the mine-site itself. Hence the expansion into earth-moving equipment, then into dredging through takeover

of a Luebeck-based firm in 1911.

Today the company employs around 11,000 people—most of them at its six factories in West Germany and Berlin. The key factory is at Hattingen, near Dortmund, which makes the gear wheels, gears, axes and hydraulic components for all the others. Bochum has the main spare parts stock, with inventories and supplies controlled from the central computer system in Dortmund. The company says parts urgently requested are generally on their way within four hours of receiving the order.

That is all very well, but product range alone hardly spells success. What about the competition — mainly the Americans, French and Japanese? There must come a point surely, at which the rise of the Deutsche Mark will price O and K products—however reliable and well-serviced they may be—off foreign markets. Indeed, might not O and K lose its market share at home to cheaper imports?

In theory perhaps this is so—but in practice it has not happened that way, and O and K clearly thinks that it is not going to do so. The currency question is a problem but not a decisive one. "The key to competitiveness," says Dr. Heusler (an engineer by training), "is to keep your nose ahead technologically. We will always find something new."

That means sparing no effort on research and development—for example on projects for advanced ocean mining equipment.

subsidiary sales company in England in 1968, then took over the firm which are now O and K escalators and O and K lifts (both in Keighley, Yorkshire) over the next decade.

The first was pulled out of the red and into profitability within two years. The second underwent a similar rationalisation to the first—but was able to keep virtually the same labour force because it gained a bigger market share.

O and K Germany does not

deny that the initial push, the injection of expertise and funds it was able to give, was decisive. But it points out that the management and labour force of both companies is overwhelmingly English—to whom the continuing success is due. The Germans, Dr. Heusler notes, made sure that facilities like washrooms and canteens were brought up to the standard existing in the German factories. In short, conditions had been improved, a good management-style relationship built up

and the results were satisfactory. Did that mean O and K would expand its English operations? The answer is—it would not mind doing so, but always through relatively small concerns where the problem of a multiplicity of trade unions is not severe.

The other main overseas manufacturing plant is at Dundas, near Toronto, Canada, acquired by O and K in 1974. It also has offices and a central spare parts depot in New Jersey—and all the same conditions are that O and K is cautiously probing the huge U.S. market, gaining experience for further manufacturing expansion.

Market

Caution also marks the company's view of trade with China. Not only has O and K been involved with the Chinese market for long time, but it sees further good opportunities.

however, claim that the trust deed allows only the transfer of enough assets to cover the transferring members' pension liabilities. It is not yet clear whether this latest move has resolved the differences between the two sides.

What lessons

can be learned from the GEC/AEI experience?

Let us return to the original example. At the outset, the trustees of B's scheme need to find out exactly what A's intentions are towards the scheme.

Expert guidance is likely to be necessary as is a willingness to compromise.

The main lesson is one for

unit trusts—which are monitored by a central authority—than a family trust.

Unit trusts are under the watchful eye of a special division of the Department of Trade, and the trust deed cannot be changed at the whim of the managers.

A similar scheme could surely be devised for pension schemes.

Pensions in a takeover—the hidden liability

BY ERIC SHORT

scheme have been overlooked. Thus, the acquiring company has found itself saddled with a liability running into hundreds of thousands of pounds that was not taken into account in determining the takeover price. This shows that it pays to check out the financial standing of the pension scheme and look at the last actuarial valuation.

But even more important are the effects that can arise on the members of the scheme being taken over. For simplicity, let us assume that company A is taking over company B.

First, comes the comparison of the benefits provided by A's scheme. If B provided better

benefits than A then B's employees are likely to be dissatisfied and are not going to take kindly to moves to reduce benefits.

Pensions have to be paid for and they do not come cheap. Better benefits mean higher contributions and A is not going to be willing to pay more, as a percentage of payroll, to B's scheme than it is to its own scheme.

A's members are not likely to be happy with this position either.

But since A will have probably guaranteed employment conditions to B's employees, a compromise is usually needed. Most problems are avoided if A

closes B's scheme to new entrants and runs the scheme down on the original terms, hoping that its own employees will not create a fuss. All new employees of the taken over B company join the main scheme of A.

The problems that can arise in practice are illustrated by the case of General Electric Company. Following its takeover of Associated Electrical Industries in 1967, after a bitterly contested bid, it kept AEI's pension scheme open until 1973.

There was also the ironic situation that certain employees joining the group had a choice of schemes available. This was when trouble arose.

It was now easy for AEI scheme members to compare benefits and decide which was the better course of action. The majority transferred, but a hard core have remained in the old scheme and have opposed all

management attempts to change it. Here was the second source of conflict.

When a member switches, how much of the fund should be transferred? AEI's pension fund was in a healthy financial position with a substantial surplus. GEC claims that the amount transferred should include the transferring members' share of that surplus and says that it has endeavoured to do this by using almost all the surplus to improve pensions and the past service benefits of members of the AEI scheme, including those who have transferred.

The AEI members remaining,

however, claim that the trust deed allows only the transfer of enough assets to cover the transferring members' pension liabilities. It is not yet clear whether this latest move has resolved the differences between the two sides.

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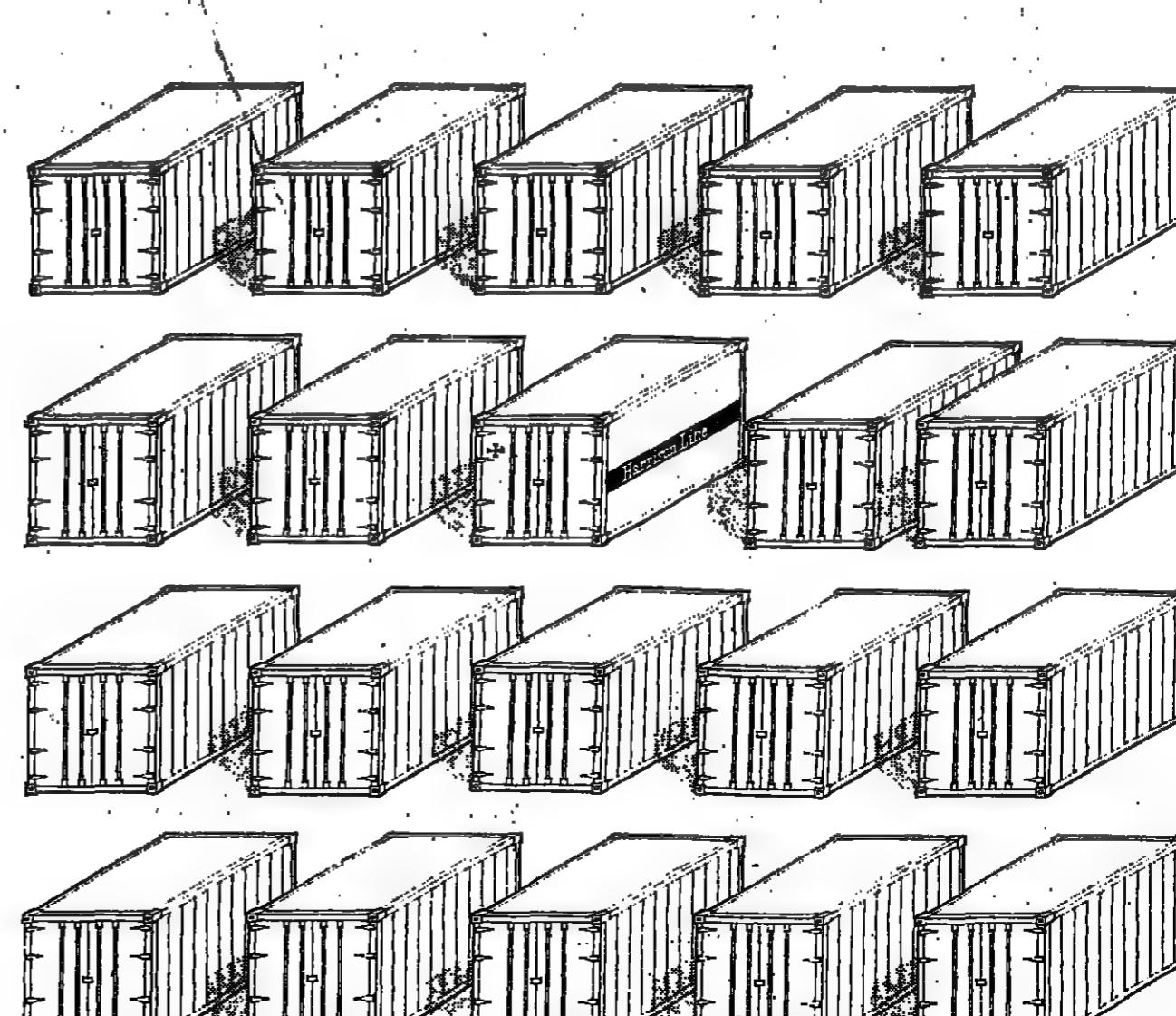
As provided in the Terms and Conditions
Redemption Group No. 3, amounting to
Dhs. 12,500,000,- has been drawn for
redemption on June 15, 1979 and
consequently the Note which bears number 3 and
all Notes bearing a number which is 4, or
a multiple of 4, plus 3 are payable as from

June 15, 1979

Algemene Bank Nederland N.V.
(Central Paying Agent)
Amsterdam-Rotterdam Bank N.V.
Bank Mees & Hope N.V.
Pierson, Heldring & Pierson N.V.
in Amsterdam;
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in London;
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LOMBARD

Inflation and big bank notes

BY DAVID FREUD

DO BANKNOTES tell us anything about activity in the black economy? Some economists in the U.S.—including Mr. Bernd Kenadjian, chief economist of the Internal Revenue Service—believe they do. Officials in the Bank of England, however, are unconvinced.

The Americans argue that expansion in the number of high denomination notes in circulation—in their case \$100 bills—reflects growth in the unrecorded, or black, economy.

Credit cards

The relationship rests on the assumption that post-war U.S. inflation has had only a small effect in changing the ratio of \$100 bills to total notes in circulation. American economists argue that while inflation tends to make people use larger bills more often in ordinary transactions, this usage has probably been minimal given the upsurge in credit-card business.

Bank of England officials have made some initial investigations since it was suggested last month that a similar relationship might hold in the UK—using \$10 and \$20 notes rather than \$100.

Their conclusion is that too many factors are involved to allow the impact of the black economy to be isolated and measured without some additional economic field-work to establish what people use high denomination notes for.

Real terms

Certainly people require much less currency than they used to in real terms. Unless the rate at which currency changes hands has risen substantially—which seems unlikely—this suggests that cash is used for fewer transactions. In 1970 currency circulation amounted to 5 per cent of final expenditure, for instance, while the equivalent figure in 1976 was 3.8 per cent.

So the American economists may have a valid point when they argue that inflation is not a major factor in pushing people into using the higher denomination notes. In this case the extremely rapid growth in demand for high-value bank notes may indeed be closely related to growth in the black economy. But fieldwork is required to establish the breakdown. Is anyone looking for a topic for his or her PhD thesis?

Finally changes in activity in the black economy are likely to have an impact—on the basis that transactions that would have been settled by cheque in the official economy are instead settled with cash.

The aggregate value of \$10 and \$20 notes in circulation rose by 470 per cent between 1972 and 1978, compared with a rise of 110 per cent for all notes. However, Bank officials attach more importance to the

average value of notes in circulation.

This figure has been rising steadily. In the second quarter of 1962 the average denomination of notes in circulation was £153; in the same period of 1972, £3.57; and in 1978, £4.24.

But the rise has been much less than the rate of inflation. Between 1972 and 1978 the average denomination of notes rose by 65 per cent, while retail price inflation increased at about this rate, by 131 per cent. If the average value of notes in circulation had kept pace with inflation the 1978 average should have been £3.94, compared with the actual figure of £4.24.

Part of the explanation for the discrepancy is that people have traded up from coins to the lower-level notes—thereby keeping the overall note average down.

Another—and probably more important—cause is people's slow adjustment to inflation. Even though items in a certain price bracket may cost the same in relative terms over a period of rapid inflation, they appear more expensive. Accordingly they are acquired through a cheque or credit card rather than with cash as earlier.

There has anyway been a rapid increase in the use of cheques and credit cards—typically for larger transactions—and inflation has probably encouraged this trend.

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THIS WEEK, I hope to be ruthlessly practical. There are quite a few problems which no election can solve. One of them is that depressing crop of weeds which sprout in newly cleared gardens as soon as May begins to warm them up among the spring showers. Private enterprise can at least cut through this little problem. You have to know your way round modern work, apart from mowing, until mid-July. I am not joking. When those tantalising books tell you how to control two acres on one day's work a month and illustrate that claim only by photos of other people's gardens, they are trying to say, on a charitable view, that you must modernise yourself and use chemicals sensibly. Nothing in the garden raises such obstinacy as this subject, except perhaps the ugliness of the heather. Gardeners either refuse to believe in poisons, because they look so slight and work so unnaturally or they are convinced that they know better than the instructions and mistakenly double the dose, refusing to believe that one drop will kill more quickly.

I approach this topic with an added personal interest. Discussing it yearly, I notice changes in the level of public busyness which it induces. During the last few years it seems that I only had to recommend a use of a weedkiller for the return post to be full of protests from public health advisors fearing that the public would store the stuff by mistake in old sherry bottles with no label. Manpower Units,

for sowing or poisoning, cut the work and get on with the garden at once. You will probably have no other chance for a month, by which time the weeds will be intolerable and will waste far more of your business time.

Proper timing at this season can save all serious gardening work, apart from mowing, until mid-July. I am not joking. When those tantalising books tell you how to control two acres on one day's work a month and illustrate that claim only by photos of other people's gardens, they are trying to say, on a charitable view, that you must modernise yourself and use chemicals sensibly. Nothing in the garden raises such obstinacy as this subject, except perhaps the ugliness of the heather. Gardeners either refuse to believe in poisons, because they look so slight and work so unnaturally or they are convinced that they know better than the instructions and mistakenly double the dose, refusing to believe that one drop will kill more quickly.

Once the requests were crisper: will it kill bind weed as

fearing that it would throw a hundred hard-pressed gardeners out of service, pet and pensioner groups complaining that I was advising an attack on their vulnerable environment, and area officers who regretted that a responsible columnist should refer to paraquat without first insisting on the importance of rubber gloves.

What about the much praised Tumbleweed at 89p a bottle from Murphys? This new con-

GARDENS TODAY

BY ROBIN LANE FOX

well as cats and how far can I poison my neighbour's tree roots without being held liable for the welcome death of the tree on his side of the fence?

A few weeks ago, I referred approvingly to the new compound Amicide. Receipt of a tin enables me to confirm that it is made by Albright and Wilson and generally sold in garden centres. This year the useful poisons, Dalapon and Casoron G are elusive or discontinued, though in the past they were godsends against couch-grass. Amicide is one good substitute: it will poison the soil for two to three months after use through a watering can. But those of you who are soaping up to a tangled new

cotton is certainly a good buy. It works to the formula of the agricultural chemical called Round-up, which I commanded last year. It will fill a central gap in the gardener's poison chest. Like Round-up it claims to be neutralised on contact with the soil. In theory, you could plant at once after splashing it around the leaves of weeds. But last year, my sweet corn and marrows thought otherwise, no doubt because I had exceeded the stated dose. With such a high concentrate, this is easily done. Tumbleweed removes what is already above ground and does not block future germination. But, if you control the spray, you can use it quite safely among a flowerbed. Choose a dry day for the task.

For those awkward corners where you know that weeds will come up thickly every year, you should think of anticipating them by spraying a weak solution of Simazine on to the soil. This is a precious shortcut. Better, then, to wait for a few days until the weeds are turning colour and you can plait with confidence. Neutrality on touching the

Sea Pigeon bids for hat-trick

GIVEN a repetition of the summery weather in most parts of the country yesterday, Chester seems certain to attract one of its biggest crowds this afternoon, for the Cheshire Oaks and Ladbroke Chester Cup are supported by four worthwhile prizes.

Although only six have been declared for the Cheshire Oaks,

the Group Three Epsom classic trial could be worth going a long way to see, for L'ile du Reve—Joint favourite with Godetia in most Oaks lists—is making her second racecourse appearance.

In spite of drifting ominously in the betting from 6-4 to twice those odds for the 23-runner April Maiden Stakes at Sandown towards the end of last month, the Warren Place filly found little difficulty in justifying her good home reputation.

Sent into the lead below the

distance, Henry Cecil's charge, a daughter of the Oaks and Coronation Cup winner, Lupe, needed only to be kept up to prevent her from again taking part in the finish. However, the handicap has a far tighter look about it this year than last. Majestic Maharaj and Matinale are two others who come into the reckoning on recent form. I shall be taking a chance on the last-named, who turned the 2½ miles Doncaster Handicap into a procession at the Lincoln meeting before running inexplicably badly at

Beverley.

Steve Cauthen continues in fine form and Noble Dudley, a promising second on his debut at Sandown, and Le Champ Talot, the recent Bath scorer, should be two more winners for him.

There would be no more popular winner of the Chester Cup than Sea Pigeon, who gained his second successive victory in the race 12 months ago, finding no difficulty in holding off Assured and Nation Wide.

Entitled to a half-sister to Leonardo de Vinci, he is sure to be all the better for that run and ought to have few difficulties this year, but should she fail to return to the winner's enclosure—which would almost certainly lead to her being scratched from the Oaks—Cottage Pie is likely to be responsible.

This grey half-sister by the ill-fated Kalamou to the Yorkshire Cup winner, Ribston, put up two extremely smart performances last summer.

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THE ARTS

CH 1105/50

Opera House, Helsinki

Romeo ja Julia

by CLEMENT CRISP

The renaissance in Finnish opera has concentrated considerable attention upon the lyric stage in Helsinki. The opera's enchanting little white and gold auditorium—just 100 years old, and a beautiful survival from Imperial Russian days when it was the Alexandrinsky Theatre—also houses the local ballet company. This is a troupe which dates back to the early years of national independence, having given its first performances in 1921. Since then the company has developed upon individual lines, albeit the proximity of Leningrad has meant a fruitful and enriching association with the Russian school and repertory. Twenty years ago the Finnish ballet visited the Edinburgh Festival; it has also been seen in Europe and the Americas, international contact serving to stimulate creativity without imposing anything alien upon an essentially Finnish identity in dance and choreography.

Last weekend I was able to see the company on its home ground, and also glimpse something of the activities in its school. For "by their school shall ye know them," and on the foundation of that ideal system of training formulated in Leningrad by A. Y. Vaganova, the present generation of Finnish dancers can stand—and stand more securely. In the school (just getting ready for a series of public performances, rather after the fashion of our Royal Ballet School's annual displays) the students revealed not only an open, lyric manner—finest stretch to the body; sure musical feeling—in classic style; but a readiness to enjoy Graham-inspired Modern Dance, and an alert rhythmic and emotional response to character dancing. Their muscular involvement, the whole-bodied and whole-bodied sympathy with the dance, was very rewarding to see.

It is, I feel, important to stress the "Finnishness" of school and company. For a nation of some 4m to boast a ballet ensemble entirely national in complement and in identity, is no mean achievement. It would be unrealistic to expect the grand effects that larger national and international enterprises offer; but the integrity and sense of purpose which I found in the



Ulrika Hallberg as Juliet

Finnish Ballet merits both respect and admiration. In performance I was able to see the company's Romeo ja Julia, an individual and by no means un-Shakespearean response to the Prokofiev score, somewhat abbreviated by cuts, yet still allowing the drama its head. The choreography is by Elsa Sylvester, and she has produced a view of the tragedy which, while stylized in some respects—there is a vision sequence in which the drugged Juliet danced with Tybalt and Mercutio—is given dramatic force by the liveliness and enthusiasm of her cast. The

ensemble having both a sense of purpose and an emotional liveliness. The Tybalt (Aku Ahjolima) shows how loving and protective is his feeling for Juliet; the roistering nature of Romeo's youth, and the sudden change in his emotions after the meeting with Juliet, are no less clear.

The lovers were taken by two fresh attractive dancers. Ulrika Hallberg has a fleet, soaring style, and a more than passing resemblance to Antoinette Sibley in her blonde charm and the clear pulse of her dancing as Juliet. Her interpretation is rather more mature than is usual in the first scene; from the ball-room onwards the airborne ease of her technique, her ability to show Juliet by turns adoring, bemused, desperate, are strong threads in a persuasive and intelligent reading. Romeo, Hannu-Pekka Holmstrom, seems even younger, and in looks recalls Leningrad's new *jeune premier*, Konstantin Zaklin. A dancer with a big impulsive jump (a certain constriction in stage size may well hamper dancers eager to stretch themselves in movement), his very immaturity gives something vulnerable and believable to Romeo, whom the choreography shows caught up in the headlong progress of a first love. At their best in the balcony scene, these appealing dancers capture the innocent bloom of Romeo and Juliet's mutual passion: the surges of feeling and the impetuosity of the score find touching expression in their performance. Elsewhere I was impressed by the tension of the fight scenes—no polite exchanges of sword thrusts, but strong, brutal clashes of blades—and the physical involvement of the whole cast in their roles. In this, as in the overall spirit of the staging, there is evidence of an approach nearer to that of Leonid Lavrovsky than to that of Western choreographers like Cranko or MacMillan—more narrative than psychological investigation. The difference is not one of quality, but of point of view: this Finnish Romeo is Romeo still.

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Wigmore Hall/Radio 3

String Quintets

by RONALD CRICHTON

The European Broadcasting Union's International String Quartet series came to an end on Monday in London, in the Wigmore Hall. The Lindsay Quartet with Simon Rowland-Jones played, not quartets but quintets. Nothing English (not many native string quintets spring instantly to mind) but a touch of knowledgeable sophistication in the choice of a classical programme which earn us good marks among discerning lovers of chamber music in the many countries relaying the concert. The choice was: Mendelssohn's op. 18, the slow movement from Bruckner's String Quintet, and Mozart's op. 18 was written, except for

the slow, elegiac Intermezzo, a later addition, when he was 17, but youth with this composer did not preclude extreme technical ability—rather the contrary. The performance may have had nothing to do with it. In the Mendelssohn the Lindsay Quartet had not quite settled down, and though they played with fire (especially in the passionate climax to the first movement) there was, as there usually is at this point of a quartet concert, some slightly sour intonation.

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Gardner Centre, Brighton

The Ballad of the Sad Cafe

by B. A. YOUNG

The story that Carson McCullers has to tell is bleak and sad. The hill-billy folk among whom it happens are pretty bleak themselves, seldom using principal verbs in their speech and then only in the present indicative; and the bleakest of them all is Miss Amelia Evans, who sells liquor to the men and uses the profits to buy up all the land she can. Miss Amelia is played by Barbara Jefford, coiffed and dressed like a truck driver. The arrival at her house of Cousin Lyman, a lively little hunchback to whom she takes an immediate and incomprehensible shine, brings so many neighbours to her store that it becomes a kind of cafe, where she sells food as well as liquor. But an equally unexpected arrival is that of her former

husband, Marvin Macy. Their marriage, after two years' courtship, lasted ten days, after which Marvin, the wedding brutally unconsummated, took off and went to jail for robbing filling stations. Now he is back, and the outlook is menacing.

Miss McCullers' tale was written as a novel and Edward Albee has had a hard task turning it into a play. There are some fascinating people to watch, and Miss Jefford, Christopher Ryan as the similar hunchback, and Norman Bowler, all ungraceful power like a steam-roller, do them with much more credibility than one might expect, given the foreign nature of the subjects. There are some telling scenes, culminating in a prolonged wrestling match between Miss Amelia and Marvin, which Miss Amelia (a

pretty dirty fighter) comes close to winning. There is true pathos which Marvin, the wedding brutally unconsummated, took off and went to jail for robbing filling stations. Now he is back, and the outlook is menacing.

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Television

Eyes Right on the screen

by CHRIS DUNKLEY

Had your impression of the different policies on offer in the election campaign been formed exclusively from television discussions, you might by now be assuming that the only effect upon your everyday life to stem from the change in government will be the requirement to pay slightly less income tax and slightly more VAT.

The lovers were taken by two fresh attractive dancers. Ulrika Hallberg has a fleet, soaring style, and a more than passing resemblance to Antoinette Sibley in her blonde charm and the clear pulse of her dancing as Juliet. Her interpretation is rather more mature than is usual in the first scene; from the ball-room onwards the airborne ease of her technique, her ability to show Juliet by turns adoring, bemused, desperate, are strong threads in a persuasive and intelligent reading. Romeo, Hannu-Pekka Holmstrom, seems even younger, and in looks recalls Leningrad's new *jeune premier*, Konstantin Zaklin. A dancer with a big impulsive jump (a certain constriction in stage size may well hamper dancers eager to stretch themselves in movement), his very immaturity gives something vulnerable and believable to Romeo, whom the choreography shows caught up in the headlong progress of a first love. At their best in the balcony scene, these appealing dancers capture the innocent bloom of Romeo and Juliet's mutual passion: the surges of feeling and the impetuosity of the score find touching expression in their performance. Elsewhere I was impressed by the tension of the fight scenes—no polite exchanges of sword thrusts, but strong, brutal clashes of blades—and the physical involvement of the whole cast in their roles. In this, as in the overall spirit of the staging, there is evidence of an approach nearer to that of Leonid Lavrovsky than to that of Western choreographers like Cranko or MacMillan—more narrative than psychological investigation. The difference is not one of quality, but of point of view: this Finnish Romeo is Romeo still.

True, some of the differences will not immediately, or perhaps ever, become outwardly apparent to the viewer. For instance there will be few positive effects upon the screen of the Conservative determination to scrap Labour's policy of saddling the BBC with government-appointed "management boards." Yet the decision is a welcome one and the negative effects could well be profound: the boards would have represented a sinister movement towards State broadcasting.

The Tories appear to agree with Labour on the need to extend bureaucracy and set up an industry-wide complaints council, but they seem much less inclined to be mean and manipulative over the BBC licence fee, and are likely to raise it to a level at which it will last for more than a year.

This will please the BBC which has grown increasingly anxious about the leverage afforded to government by the licence fees. If the Government is to be re-negotiated annually. One hopes that as a result the growing neurosis and timidity of the BBC concerning "touchy" programmes will vanish.

The BBC will be sorry but the public may be glad to find the Conservatives licensing dozens of new local commercial radio stations and denying the need for the BBC to match station for station.

Sadler's Wells

Four Ballets

The present season by the Sadler's Wells Royal Ballet has found the company on its best form, with dancers and repertory looking fresh, well-polished. Last night's programme was no exception—the opening *Les Rendevous* typifying the current bright state of the ensemble's fortunes. I have not seen this enduring and endearing piece look better for years, and for the best of reasons. Sir Frederick Ashton has rehearsed it well, and Dame Alicia Markova—great original of the leading girl's role—has, additionally, coached the principals. Given this loving treatment, and naturally enough, the dancers and the dancers appear at their best—would that every work in both Royal repertoires were as honourably treated. From *Lol's Strike* a wonderful account of Markova's role, diamond-bright and subtly nuanced; from the bounding trio of Nicola Katran—a sweet young talent—Kim Reeder and Brian Berccher, a mercurial presentation of that choreographic gem.

Added to the repertory this spring is Michael Corder's *Rhyme: or Reason*, a choreographic debut of real importance from last season, and now entered into the regular programming of the company.

Marion Tait, Judith Rowan, Anya Evans, Carl Myers and Kim Reeder are the cast. John Halle has devised a suitably bleak composite set showing the outside and inside of Miss Amelia's premises; at once, though I should have liked to George Pravda, who is a fine actor and looks OK, but whose Czech voice gives an irrelevant touch of *hans* to a hair's breadth; every vice trick done with vast enjoyment—that it deserves to be recorded for posterity.

CLEMENT CRISP

reach the actual programmes on screen altogether.

The pretence is that broadcasting administrators do not occupy morally determined positions, but simply estimate the general socio-political tone of British broadcasting is, of course, fraught with hazards: whatever your conclusion you will be attacked with scorn. Declare as Richard Last did in the Daily Telegraph last week that "Private enterprise is not celebrated on the box every day of the week; indeed in some weeks it is not celebrated at all," and those on the left will fall about in derision.

Above all, and most noticeable on screen, will be the effect upon the fourth television channel: instead of the new idea of the "publisher" network called the OBA screening programmes from a multiplicity of sources—favoured by the Aman Committee (and this column) and eventually accepted by the Callaghan administration—Mrs Thatcher's government is pledged to hand the channel over to the existing ITV companies.

There are promises of safeguards for educational and Welsh programmes and for other minority interests. But whereas the OBA would have extended the asymmetry of British television which, with its BBC1/BBC2/ITV shape has proved so beneficial in programme terms, the creation of "TV2" will destroy the asymmetry and create instead a head-on, four-square clash between the BBC pair and the ITV pair. It is hard to foresee anything but an intensified ratings war and an incessant drive towards sameness in programmes and schedules on the American pattern.

However, even more intriguing than the prospect of broadcast changes directly attributable to the Government is the possibility of other changes in broadcasting resulting from the shifting public mood which produced the new Government. Shall we eventually see broadcasting's centre of gravity moving towards the right? My guess is that we shall, though the process may take so long that it will either be completely out of fashion by the time it has any effect, or may even fall to the right wing.

Furthermore, they continue, the school of drama which has included such plays as *Carly's Come Home*, *Days of Hope* and *The Spenders* has been allowed to get away with overt political proselytising of a sort which has no right wing parallel.

Faced thus with criticism from both sides, the tendency of broadcasting chiefs has been to sit back smugly and declare that they must obviously have achieved "balance." Yet that is a most bizarre conclusion, not just because it is another way of saying "Since so many people think we are wrong we must be right," but because it implies that all social and political attitudes have exactly equal weight and validity and that broadcasting can find its proper place by standing precisely half-way between the extremes.

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Yet I suspect the truth is that those who run broadcasting have chosen where to stand, neither by carefully considering moral absolutes, nor by carefully selecting the dead centre of socio-political attitudes, but by deciding where they happen instinctively to feel most comfortable. It is no great surprise to find that they feel most comfortable near to the middle of the sea of public opinion.

It is, anyway, not so much the position of the chiefs as that of the Indians which in this country matters most in terms of programme tone and which will bring about a change if there is to be one. Throughout the history of ITV and ever since Sir Hugh Greene left the BBC, my impression has been that a significantly greater number of programme makers have stood towards the left-hand side of their chief than have stood towards the right. For, the past 15 years or so this has, of course, been a fashionable place to stand—though whether we are talking here about fashion affecting those in television or those in television affecting fashion it is very hard to say.

Certainly in social matters—the women's movement and feminism generally, for instance—television has been way ahead of national public opinion, or perhaps moving at a tangent to it. Within the past week BBC2's *Connie* about a lesbian sweatshop worker, ITV's *Daughters of Albion* about three girls from a biscuit factory, and *Thames' Theatre Girls* about alcoholics and drug addicts in a women's hostel vividly illustrated the point.

What we may not know for another five or even 10 years is whether broadcasting's staff in take from the seething universities of the late sixties (the generation now making the programmes) will discover when they in turn start to become chiefs that they have been followed into the business by people from the quietest universities of the seventies—the very generation that psychologists suggest voted unexpectedly heavily for Mrs Thatcher—and that these new programme makers stand well to their right. Ironically it seems quite possible.

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Wednesday May 9 1979

The need for Euro-voters

IN UNDER one month's time, British voters will be invited to return to their polling stations to vote in another election. It must be doubted whether very many of them are yet aware of it. Political activity in the UK over the past five weeks has concentrated almost exclusively on last week's general election, and its outcome is still the main talking point. The general election's timing has further complicated the already difficult task of all those trying to stimulate interest in the first EEC-wide direct elections to the European Parliament, due to be held in Britain on June 7.

Business view
"Yet the European election campaign is now officially under way. An EEC-financed information programme, held up by the general election, is about to be launched, and this week sees the final Luxembourg session of the outgoing European Parliament, whose members were "indirectly elected" by their national Parliaments. Yesterday the Confederation of British Industry entered the fray with the publication of a pamphlet on business views on the way ahead in Europe, which is to be sent to each prospective British Euro-MP.

It is clearly going to be an uphill struggle to arouse public interest between now and June 7. A private poll commissioned by the European Parliament last month appeared to reveal a high degree of both ignorance and apathy in the UK. Almost 40 per cent of those polled had never even heard of the European Parliament and only 4 per cent knew the election date.

With constituencies ranging in size up to well over half a million voters, it is not going to be easy for individual candidates to put their message across to a major proportion of the electorate in person.

Public be aware

Yet it is important that the public should be aware of the significance of the vote on June 7. The European Parliament has often been derided as a "talking-shop" and that is the way most British and Marketeers would like to keep it. The French Government insists, as did the British

Labour Government, that direct elections will not lead to any increase in the Parliament's powers. That may be true in the short term. But it is conceivable that the new directly elected MPs will calmly accept that their role should be dictated to them, either by the member Governments or by the Community's other institutions. They may even welcome a confrontation with the intergovernmental Council of Ministers to prove their point—particularly as they could well gain the sympathy of governments such as those of West Germany, the Benelux countries and Ireland.

Three factors should be born in mind. First, the Parliament already has powerful weapons such as the right to reject the entire Community budget and sack the Commission on block which have yet to be fully exploited. Second, the Parliament's influence has been slowly but progressively increasing over the past decade—particularly through more consistent public questioning of Ministers and Commissioners. Third, the new Euro-MPs will want to break new ground without waiting for an increase in their powers to be formally approved. They are likely, for instance, to strengthen their committee system, develop the idea of holding hearings on the U.S. Congress and, last but not least, decide to meet much more often than the present 11 weeks a year.

Legitimacy

Such developments should be welcomed. It would help to provide the Community's institutions with the democratic legitimacy which they have often been criticised as lacking. It should involve more of Europe's citizens in decisions which in the past have often seemed complicated and remote. It should also help to give the Parliament a more dynamic role in discussion of the whole direction in which European integration is heading, at a time when fresh ideas could inject a new stimulus. All of this makes it essential that the turnout in Britain on June 7 should be as large as possible. If British Euro-MPs are to play a credible part in the new Parliament, it is important that they should have convincing backing from the electorate.

IF PRESIDENT CARTER and Soviet party chief Leonid Brezhnev sign the Salt II agreement they will also give a powerful fillip to the almost forgotten MBFR (mutual and balanced force reduction) talks in Vienna between 12 NATO and seven Warsaw Pact states.

Even a Salt II accord would not automatically produce a breakthrough at the deadlocked MBFR negotiations, which formally opened in Vienna 5½ years ago. But both Eastern and Western sources close to the talks believe that without a Soviet-U.S. deal on strategic arms limitation there can be no real progress in the foreseeable future towards a mutually acceptable compromise over the reduction of military manpower and hardware in Central Europe.

After 20 plenary meetings in 17 rounds of negotiations, the two sides are still far apart even on the central issue of just how many soldiers the Warsaw Pact has facing NATO in Central Europe, with NATO insisting that there are 150,000 more troops there than the East will admit to. Profound disagreements also remain over the scope, timing and structure of what is officially described as "mutual reduction of forces and armaments." The so-called associated measures necessary to monitor the implementation of any agreement are also bound to be a hard nut to crack. Yet given sufficient political will on both sides, this seemingly hopeless exercise, now bogged down in haggling over disputed manpower figures, almost overnight could become a crucial element in the quest for detente.

Political factor

Far from dwindling in importance, the talks recently have become an important factor in German politics and their outcome will also have a major impact, in one way or another, on the security interests of all the European countries.

In order to understand the claims and counter-claims presented at the once-weekly plenary meetings, it is necessary to translate the conference jargon into plain English. Thus, for example, speaking on behalf of NATO at a Press conference before the Easter recess, the Dutch chief delegate, Ambassador de Vos, singled out "parity," "collectivity" and "data discrepancy" as the central issues. What, then, do these terms actually mean?

To start with, any future possible agreement would affect, on the Western side, the forces stationed by the U.S., Canada and Britain in West Germany and the Benelux states, as well as the troops of those states. It is the Benelux countries and West Germany which comprise the Western forces reduction area. On the Eastern side, any

reduction would affect the Warsaw Pact forces in Central Europe. Warsaw Pact negotiators for their part complain that NATO, after 10 months, has still failed to give a real answer to the East's proposals of June 8 last year. These, for the first time, accepted the West's call for common ceilings of 700,000 men in ground forces and 260,000 in air forces. The Communist Bloc even agreed to make slightly bigger cuts than NATO, offering to withdraw 105,000 troops including Polish soldiers, in exchange for a NATO cutback of 91,000, including a first-phase reduction of U.S. forces by 14,000 men.

The crucial point, however, is that in order to achieve what the West likes to call "genuine parity" the Warsaw Pact would have to reduce its ground forces in Central Europe by not 105,000 men, but 262,000. This is why the Eastern bloc spokesmen keep complaining that the West still seeks "asymmetrical" reductions requiring the Warsaw Pact to make numerical reductions three times larger than those of the West.

In Communist parlance, this

**MEN AND MATTERS****'Mr. Save-It' back in Whitehall**

The man chosen to lead Thatcher's war on waste, Sir Derek Rayner, will feel quite at home in the corridors of Whitehall. A joint managing director of Marks and Spencer, he was "lent" to Heath in 1970 to look into the buying policies of the Ministry of Defence. The businesslike report which followed led to the establishment of the Procurement Executive, which brings together all purchasing decisions and is responsible for an annual budget of about £1.25bn.

One reward was a knighthood in 1973, another was a salary of £15,000. But his new and somewhat vaguer position as personal adviser to the Prime Minister on government waste is—apparently—to be unpaid.

A 53-year-old bachelor who at one time intended to go into the Church, Rayner is a forceful and clear-headed character. One view he is known to hold strongly is that Permanent Secretaries cannot be held liable for everything everyone does under them. He feels that responsibility should be pushed down the line, and that officials should have the same motivation and concern for customer satisfaction as the manager of an M and S store.

Self-determination

To say the least, the flare-up does not augur well for the negotiations between Egypt and Israel, with U.S. participation, or autonomy for the inhabitants of the occupied West Bank and Gaza Strip. In advance of the talks scheduled to start later this month Mr. Begin has refused to contemplate Israel giving up control of security or the "right" of Jewish settlements which his Government is relentlessly pursuing.

Even though he is ostracised by nearly the whole of the Arab world Mr. Sadat can ignore neither Israel's actions in Lebanon nor the substance of Palestinian aspirations for a homeland. The U.S. has been only mild in its criticism of the force of Israel's retaliation. The onus lies heavily upon Washington to restrain its client and to induce it to think in terms of a more meaningful form of Palestinian self-determination than has so far been envisaged.

It worked with Jordan a decade ago, but cannot succeed in Lebanon, an entity fatally fragmented by the 1975-76 civil war and only held together by

interests" are planning a glossy monthly, entitled *Panache*. Meanwhile, what of Time and Tide (founded 1920), the once-distinguished Liberal weekly? It is the only remaining publication in the THF stable, and slips out inconspicuously once a month. "No final decision has been made," I was told cautiously by manager Don Eglinton. "But we shall be putting the emphasis on the new magazine."

Shock was expressed when I asked if the new glossy would be distributed through THF hotels. But Eglinton agreed that the group would be "ideally placed" to put it in the hands of likely subscribers and advertisers.

The editor is an American-born woman journalist, Leslie Field, and the first issue is due out in November. By that time, I sense, the tide will have finally gone out for the journal which once lionised Lloyd George.

More recently it—and Goodhart—played a central part in ousting Edward Heath from the Tory leadership after the two election defeats of 1974. Thanks to a (well-publicised) secret meeting at the offices in Milk

Street of Edward du Cann, the committee executive earned the name "Milk Street Maës." Goodhart later claimed the committee was merely reflecting the views of the Parliamentary party in forcing the issue: "The election of Margaret Thatcher was not inevitable; the departure of Ted Heath was."

Guessing games

The state of affairs in South Africa may not be changing fast enough for everyone, but there is plenty of flexibility down there in the use of names. Dr. Piet Koornhof, Minister of Plural Relations and Development, has transferred his department into Co-operation and Development. Only a year ago it was called Bantu Administration and Development. Before that it was simply the Department of Native Affairs.

Even worse have been the problems of Fanie Botha, Minister of Labour. At a press conference last week he could not remember the proposed name of his new department (to be entitled Manpower Development). In a slip which may have indicated his own preference, and certainly reflects South African Labour laws, he said it would be the Department of Management. But even when he gets the name right, he must face up to the acronym by which it is sure to be known: MAD.

Fish tails

I am looking forward to a reception in Bloomsbury Square today, to which I have been kindly invited by the Atlantic Salmon Research Trust. The trust wishes to tell me about threats to the well-being of their favourite fish. "There'll be smoked salmon to eat," an organiser told me enticingly. Was there not some contradiction in this menu? I asked. "It's the only thing that goes with champagne, isn't it?" she replied.

remarked sarcastically. But as an Eastern conference source put it: "The West should not forget nor underestimate the fact that, after all, we are now discussing military data which only a few years ago would have been regarded as treason."

The overriding issue is the massive Soviet military presence in the heart of the continent. This is why NATO, in its first major move in 1975, sought to trade off nuclear delivery systems for the withdrawal of an entire Soviet tank army of 68,000 men and 1,700 tanks. In April, 1978, the West made an important concession suggesting that instead of withdrawing a tank army from East Germany, the reductions of the 68,000 men and 1,700 tanks could be made wherever the Soviet Union chose. In June last year, the East accepted the idea of a nuclear trade-off, but offered only 1,000 tanks in exchange.

Meanwhile, however, rapid Soviet advances in developing "gray area" nuclear systems, including medium-range SS-20 missiles targeted at Western Europe without being subject to an MBFR treaty, have shifted the nuclear balance against the West. NATO's so-called "one-off" nuclear offer could boomerang, since it could restrict its ability to deploy new nuclear systems to match the Soviet SS-20 missiles. Some influential NATO officials, therefore, would prefer a review of the nuclear trade-off and opt for a more modest deal concerning only ground force manpower.

Exit and entry points

Next, the two sides will have to grapple with the issues of control and compliance measures, such as mandatory exit and entry points for troops, the notification of military movements in advance and the access of inspection teams to East European territory. Such confidence-building measures are vital to limit the ability of each side to launch an attack without a prior buildup of forces.

A Salt II agreement would certainly give a jolt to the grinding MBFR talks. But it could also spark off pressures to prepare an agreement in great haste and even at the price of sacrificing hitherto indispensable principles concerning parity and future security. Even a comprehensive agreement would little change the East's basic strategic advantages, due to the relative nearness of the Soviet Union to the stage of potential conflict and the distance from it of the U.S.

Thus it depends on not only the political will, but also strong nerves and cohesion of the Western Alliance, whether an MBFR agreement will make an important contribution to military security and political stability in Central Europe.

YOURS ONLY DOING HALF THE JOG!

MINITOR®

Pulse Tester

To be physically fit all you need is to take regular exercise at the optimum level for you.

By monitoring your pulse rate you are able to check on your physical improvement, through knowledge of your pulse recovery rate and avoid the risk of overstraining.

MINITOR is a light, hand held simple to use instrument, made in West Germany, which gives you a rapid digital read out so that you may monitor your own heart rate when you jog, swim, walk, etc.

MINITOR is 1" x 2" x 4". About the same size as the cigarette pack you've thrown away.

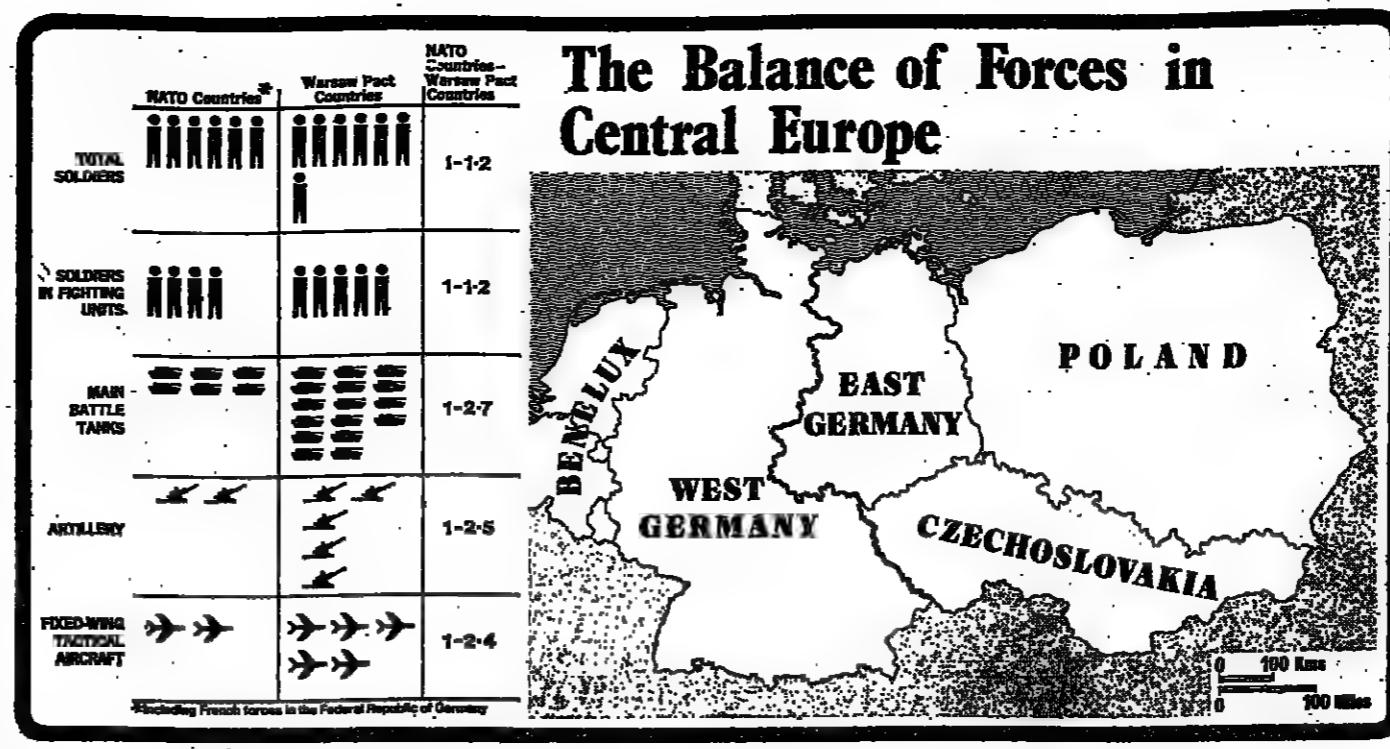
For further information post your business card to:

LRE RELAYS & ELECTRONICS(UK) LTD
Medical Equipment Division
70a Upper Ruislip Road, London NW10 6JG
Telephone 081 898 5840

Observer

Prodding the troop cut talks out of the trenches

BY PAUL LENDVAI IN VIENNA

**On with the new**

The ventures of Sir Charles Forte into magazine publishing have been somewhat nervous so far. The main accomplishment has been to acquire the *Investor's Review* (founded 1982), then dispose of the title to the *Investors Chronicle*. But now comes the news that the Trust Houses Forte "magazine" thriller. Whatever the tension

FINANCIAL TIMES SURVEY

Wednesday May 9 1979

J. M. 1979

British
skills
lead
the way

By Max Wilkinson

THE NEXT few months will be an anxious time for the many people who have now invested time and effort in the future of viewdata, the world's first electronic publishing system.

The idea has been developed and refined for nearly a decade and is now ready to start on its first commercial journey. But exactly when it will take off and how fast it will travel towards profits and public acceptance, are still very much open questions.

The British Post Office, which pioneered the idea, launched the first public viewdata system which it calls Prestel at the end of March. But so far, despite considerable interest and some 4,000 inquiries, not much progress has been made towards getting a public service of the ground. This is mainly because television set makers are not yet ready to produce the adapted receivers which will be needed for Prestel.

Viewdata systems, of which Prestel is the pioneering example, are designed to convert the domestic television set into a terminal which will display words and graphics rather than motion pictures with sound. The set is linked through the ordinary telephone service to a central computer which can store hundreds of thousands of pages of information ranging through timetables, stock market prices, theatre guides, reviews, news and encyclopaedic information, to games, quizzes and advertisements. In fact almost anything which is at present published in books, magazines or brochures can in principle be published electronically by viewdata. However, the size of the screen limits the number of words which can be shown on each electronic "page" or frame, so that it is unlikely that viewdata would ever replace computer automatically which

lengthy books, and it probably will not be a substitute for very long newspaper and magazine articles, at least within the present technological horizon.

Viewdata's great advantage over all conventional means of publishing is that it is "interactive." That means the user can communicate with the computer which is storing the information, not merely to request further pages, but to answer questions, play games and quizzes with the computer or to do his own tax and mortgage calculations on the system. It is even possible for a user to make a direct purchase by supplying his credit card number in response to an advertisement. The computer would automatically forward the number to the advertiser which could then send the goods. Viewdata could also be used to send bank statements to customers and for many similar transactions.

Automatic

To operate the system, a user needs a specially modified television set and, of course, a telephone. The set is supplied with a remote control keypad, which looks rather like a pocket calculator.

By pressing a few buttons the user can make a dial-up to the viewdata system which will be able to contact the central computer automatically which

will first flash an index onto the screen.

In Prestel, the user finds the page required by moving through a series of indexes arranged in a "tree" structure.

Any particular page can also be

found by looking up its number in a directory and pressing the appropriate key.

Prestel was designed by the Post Office to be extremely simple to use and as cheap as possible. So, although it is a computer information system, it uses no computer jargon and is intended eventually to be available at a price which a high proportion of people could afford in their own homes.

Information for the system comes from a group of independent organisations including publishers, official bodies, advertisers and agencies, which the Post Office has called information providers. They pay a fee to the Post Office for the use of the computer storage, and recoup costs from the users who pay them anything from zero to 10p for each page which is inspected. These charges are added up automatically by the computer.

Although Prestel was designed primarily as a public information medium, the system will accommodate closed groups of users who wish their information to remain private within the group. These groups will be allocated storage space in the main computer alongside other information providers. But only those users which know the correct code number will be able to gain access to the files. Closed user groups may include individual clubs, professional groups, club societies and even hobbyists.

Prestel is much the most important viewdata system in the world at present, and it is discussed in more detail in a subsequent article. However, the Post Office made it clear from the start that it did not intend to operate viewdata as a monopoly, and already a number of different systems based on the same basic idea are being developed in the U.K.

It is possible for anyone to set up his own viewdata system. All that is needed is a suitable mini-computer and connections to the telephone network. Then, provided the system uses the same display format as Prestel it can be dialled up by any Prestel receiver.

In the UK, both Philips and the General Electric Company have announced that they will supply equipment for setting up private viewdata systems, and other manufacturers, including Thorn and International Computers have set up private systems.

Private systems can be expected, initially, to fall into

two broad categories. The first will be of specialised groups type will be for use in large companies for internal information purposes, ranging from internal telephone directories to sales prices stock lists, and even the engagement diaries of executives.

Many of these large companies will already have computer systems, so why, it may be asked, should they wish to buy a viewdata system as well?

The main reason is that viewdata is highly specialised and designed to be very much cheaper than most other computer systems.

Ideal

A viewdata network is intended almost entirely for publishing information with the minimum of computation involved.

It is especially suited, therefore, to supplying basic company data like parts lists and availability to a sales force spread through many different locations.

If Prestel sets become common throughout industry and commerce, a salesman could dial up his own company's viewdata system from most customers. Whitbread, the brewer, has already ordered such a private system from GEC.

The second major category

to be updated while they are being displayed on a user's screen. This would not be possible on Prestel, because it has been designed for more general application in which stored Stock Exchange, which is developing a system for its members to show up-to-date market prices.

This system, called the Exchange Price Information Computer (EPIC) is intended to replace the present black and white system in which prices

are displayed on one of 22 separate channels. The present system is limited to the information which can be displayed on 23 different frames (one for each channel). But viewdata

is indefinitely expandable. It can store hundreds, thousands or even hundreds of thousands of pages without difficulty.

Moreover, a viewdata system can show words and figures in colour, so that price changes and especially significant information can be highlighted.

The Stock Exchange has chosen to develop the new EPIC independently of the Post Office, because the 2,000 sets of its members will need to be connected to the computer almost continuously.

This means that special links with the computer will be needed, as well as special facilities to enable the market prices

Development

Without doubt, similar specialised viewdata services will be developed for other uses, for example in commodity broking, banking, insurance and the money markets.

All viewdata systems will, however, need to be compatible with Prestel if they are to take advantage of the economies of scale which it is hoped will result from using domestic colour television sets as the basis of the terminals.

Most sets installed for private systems will therefore be able to receive Prestel as well, and (a bonus which should not be mentioned too loudly) they will also be able to receive Wimbledon and the Test matches.

Although viewdata's main strength is in electronic publishing, the system will, before long, merge into more advanced computing functions, mainly because of the rapid development of small low cost personal computers.

Up to the minute is the key phrase in fact. Because unlike the guides you buy in book form that quickly date, Prestel can provide the very latest information.

When can I have it?

As we said earlier, the Post Office has been offering the Prestel service to residential customers throughout London since March.

This is a preview of the full public service which later in 1979 will first be extended to London business users, then on to Birmingham, Manchester and Edinburgh and then followed by the rest of the country.

For a list of the selected showrooms where you can see Prestel demonstrated, please send the coupon below (no stamp needed) or dial 100 and ask the operator for Freephone 2043.

Then we can tell you more about the biggest breakthrough in communication since the telephone and television.

W. B. Morley, Prestel Marketing, Freepost, Cambridge CB2 1BR.

I want to know more about Prestel.

Name _____

Address _____

Postcode _____

The first generation of viewdata terminals will have limited memory and no computing power. They will merely be able to call up one frame at a time from the central computer and remember it even when the phone link is severed.

However, the next step will be the development of "intelligent" viewdata terminals with independent computing power and memory. A micro-computer costing only a few pounds and memory components could easily be added to the television set. This would allow it to store a large number of frames of viewdata information, for example market prices or timetables, and then make its own calculations on the data.

Thus, an investment manager could undertake his own portfolio analyses or a travel agent could use a small computer to plan customers' best routes, on the basis of viewdata information obtained perhaps once a day or once a week.

Several home computers, including Commodore's PET at a starting price of about £500, Apple, sold by ITT in the UK, and a new machine expected soon from Texas Instruments would be suitable for this type of application. A range of new terminals can therefore be expected, from television sets with their own microcomputer included, boxes which plug in to an ordinary set like Apple, and complete units with a small black and white screen like PET.

In addition, present manufacturers of computer terminals, small office computers and word processors can all be expected to modify their equipment so that it can receive viewdata.

Special business sets in black and white only are being developed by GEC, Standard Telephones and Cables and Pye. And the Post Office is itself considering whether to launch a simple adapter costing perhaps £100 which would convert existing sets into viewdata receivers, simply by plugging into the aerial socket.

It is clear, therefore, that the basic viewdata concept is capable of being adapted to a wide variety of purposes ranging from those of the sophisticated business user to the ordinary householder, for whom Prestel may be seen at first as simply another consumer gimmick.

In the longer run, however, it is hard to resist the conclusion that viewdata is capable of having a major impact on society as a new publishing

CONTINUED ON NEXT PAGE

THE TELEPHONE AND TELEVISION CHANGED PEOPLE'S LIVES. THEY'RE ABOUT TO DO IT AGAIN.

Back in March, the Post Office delivered one of its most astonishing messages ever.

About a new service called Prestel.

So revolutionary is its technology, that the Germans and the Americans are clamouring to Britain for the know-how.

What is Prestel?

Prestel is a computer information service that is used in your own home or business.

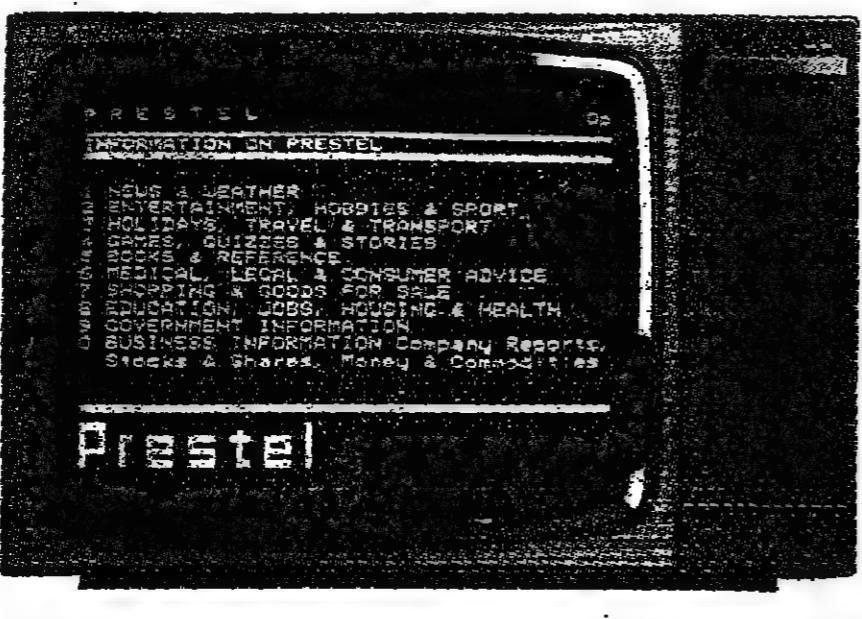
This is how it works.

You buy or rent a special Prestel television from your local TV showroom.

We then connect the television to your telephone.

Each television comes with a small remote control, rather like a pocket calculator. (We call it a keypad.)

On it, you'll find a series of numbered buttons.



By pressing one of the buttons, you contact the central computer via your telephone line.

Prestel then announces itself by greeting you personally on your television screen.

At the press of a second button, an index of the available information appears. (Just like the picture above.)

Ask a question.

You're now in contact with a store of information that numbers some 100,000 pages. More than 10,000 pages are being added monthly.

All provided by well-known organisations.

The Stock Exchange, The Economist, Exchange & Mart, Fintel, The Good Food Guide, Guinness Book of Records, Norwich Union, W.H. Smith, British Rail, Datastream, Peat Marwick Mitchell and the English Tourist Board to name but a few.

Investment statistics, company information, accountancy standards, company law, export information, Government statistics, tax guides and the week's business in Parliament are all at your fingertips.

As are train, boat and aeroplane timetables.

You simply ask the computer questions by pressing the number on your keypad relating to the information you want.

Then up pops the answer on your TV screen.

It'll take you literally minutes to learn how to use it. And then you'll be able to get the information you want in seconds.

How much does it cost?

Needless to say, a Prestel set is more expensive than an ordinary TV.

But beyond the initial outlay, you pay for the service only when you use it.

And that's the cost of a local telephone call, plus a small usage charge and the cost of the piece of information on the screen.

That varies from nothing to several pence per page.

Which makes it one of the most cost effective information providers in existence.

Any time you want to know your exact bill to date, there's a page that'll give you that up to the minute information as well.

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Prestel

The Post Office Viewdata Service.

FT2

VIEWDATA SYSTEMS II

Big plans to extend Prestel service

THE OFFICIAL launching of Prestel, the Post Office's viewdata, as a public service on March 27 was something of an act of faith. It generated considerable interest, but not much more, because adapted television sets needed to receive the service will not be available in volume until at least the autumn—and possibly not until 1980.

One month after the launch the Post Office said there had been 4,000 inquiries by people who were interested in being connected to the service, but a spokesman said: "We don't know whether that is a little or a lot, since we have never launched a Viewdata service before."

The response, in fact, is difficult to gauge because very many people know that they have no prospect of being connected to Prestel at least for several months. Real interest in the system will not be accurately gauged until the manufacturers, and hence the providers of information, are ready to launch a promotion campaign in earnest.

The key to producing sets at a low cost will be the availability of advanced micro-electronic components which are now being developed by Mullard (the Philips subsidiary), Texas Instruments and by the General Electric Company. If these chips can be successfully produced in ade-

quate volume, and that means in hundreds of thousands, the cost of a Prestel set (which will also receive broadcast teletext) should be only about £50 to £60 in addition to the cost of a 26-in remote control colour set—say, £500 at current prices.

The pricing policy of manufacturers in the vital launching period, when they need to stimulate consumer demand, is still uncertain. They may wish to concentrate on providing high-priced sets for the smaller business market, which is expected to provide the first wave of purchases; or they may go all out for the top end of the consumer market as early as possible.

Successful

Meanwhile, the Post Office has been extremely successful in gathering together a group of information providers from a wide variety of interests. So far, more than 150 publishing and other organisations have contracted to supply nearly 200,000 pages (or frames) of information to be stored on the Prestel computer, and about 400 organisations would now like to become information providers in some form or other.

These information providers include business information bodies, airlines, publishers of guides, magazines and timetables, official bodies including

the Central Office of Information, consumer advice organisations, and advertisers. Some information providers have booked pages on the Prestel computer with the object of subletting them to other organisations, including advertisers, who wish only to place a few pages on the system, but do not want to invest in the special equipment needed to enter pages on Prestel and to keep them updated.

A page holds the amount of text or graphics which can be displayed on the television screen at one time. This is a maximum of 24 lines of 40 characters each or a total of 960 characters.

Each user is allocated a personal code number which is built into the receiver and is automatically scanned by the Prestel computer every time a call is made. It is used for identification and billing purposes.

To obtain Prestel information, the user switches on the set and makes a local telephone call to the nearest Prestel centre. In some of the earliest sets it was necessary to dial all the digits on the telephone handset, but in most of the newer models, telephone connection will be made automatically by pressing a button on the television set.

The longest waiting time for any particular page is designed to be two seconds. A further

four seconds is required for the page to be captured by the user's television screen. However, the user can start to read the page as soon as the first line appears, so that this waiting time is not a practical disadvantage.

At another touch of a button, the Prestel index appears on the screen, listing the main categories of information and a series of more detailed indexes.

Costs

While connected to the Prestel computer, the user is incurring three separate types of charge.

First, he is paying a local telephone call charge for the period of connection; second, he is paying a timed charge for the period he is logged on to the Prestel computer. This has been set at 2p a minute for the start of the service, but the Post Office says the charge may be varied later. Thirdly, the user pays a charge levied on each frame by the information provider. This charge may be zero in the case of pages from advertisers or public bodies or up to perhaps 30p or more for information of high commercial value.

Most of the high value information is priced at about 10p to 15p per page, while general information aimed at a wider public is priced at between 0.5p and 3p per page. The pricing structure is likely to depend very much on future patterns of usage.

The Post Office stipulates that the price for each page should be displayed at the top right hand corner. The computer will give each user a running total of the amount spent on each call and the total billing for the current quarter. The charge levied by the information providers is collected from the user by the Post Office which then passes it on after deducting a 5 per cent factoring charge.

The information is to be stored in a network of identical computers, which will all be kept up to date with changes made simultaneously. The computers will be located in local telephone exchanges, so that in most parts of the country, a local call will connect the subscriber direct to the nearest computer.

power would not have to know anything about computer techniques, any more than they have to know how the telephone or the television set works.

Viewdata has been designed mainly to do familiar things in a different way and some unfamiliar possibilities in addition. Many of the more exotic possibilities of computers have so far failed to gain wide acceptance because they are too strange. Viewdata, which is essentially a simple service, may lead to stranger consequences than people yet dream.



Property company director, Mr. John Busby (left), sits in his West London home with inevitable paperwork to one side—and to the other an almost limitless source of information on a wide range of subjects.

Mr. Busby's latest aid in a world where up-to-date news and data are increasingly important for business is

Prestel—the Post Office's advanced communication service linking the telephone to the TV set.

But it's not all strictly work for John: "I think the information about where to eat is very useful, too," he said. And his wife, Jill, has discovered how useful the daily recipe service can be when she is short of ideas for the family meals.



Mr. Tim Chapman (right), Viewdata Services Manager at Baric Computing Services, tunes in to a Comer master page. Baric has topped the Prestel audience-ratings figures according to Post Office figures. Between October 6th, 1978, and January 28th, 1979, the screen pages on the Baric service were viewed 110,172 times by Prestel users and in the Post Office

ratings chart of page access statistics for all information provider databases, Baric was number one. Jointly owned by International Computers and Barclays Bank, Baric is one of the largest of the Prestel information providers, with an availability of 8,000 screen pages, of which 1,000 were in use during the reviewed period.

Where this is not possible, the Post Office plans to install high capacity data transmission lines to distribute the service. In these cases the subscriber will also pay only a local call.

The computers are designed to handle 200 users simultaneously and to store up to 250,000 pages. However, extra pages may be added by adding more disc memory units or by linking all the computers in the network to a large central memory, probably in London.

The aim of developing the computers so that they can handle 200 users at once has not yet been achieved, but development of the computer operating system could, in theory, allow them to be developed to handle at least this number and probably more users.

This year, the Post Office is spending £5m to set up Prestel centres in five of the largest cities: London, Birmingham, Manchester and Edinburgh. A further £18m has been earmarked to extend the service to Cardiff, Glasgow, Leeds, Liverpool, Norwich, Nottingham and other important centres. In the next five years, the Post Office is prepared to invest up to £100m in the system.

In theory disc units could be added indefinitely to the computers at least up to the capacity of several millions of pages. However, in practice the expansion of page storage will have to be related to the number of users.

If Prestel had a very small number of users but a very large number of pages, each page would be inspected, on average a small number of times each year. Consequently the charge per page would need to be high. The rate at which pages can be inspected is also limited by the number of ports offered by each computer and its speed.

The cost of storage in a data warehouse is relatively much lower, but the cost of inspecting it is higher because long distance communication is needed. It is likely, therefore, that the warehouse will be used mainly for reference material, like electronic encyclopaedias which can be left unchanged in the system almost indefinitely and which are inspected relatively infrequently.

The other use of the central warehouse could be for frequently updated information such as stock prices, availability of airline seats and possibly a national classified advertising service for cars and houses. In many such cases, the cost of keeping files up to date may outweigh the costs of distributing pages to satellite computers.

However, nobody yet knows how the economics will work out precisely, and much will depend on the relative fall in price during the next decade of communications equipment vis-à-vis

computer hardware. To reflect these two types of storage two classes of service have been established: the first class "A" is intended to apply to pages which will be duplicated in all the regional computers.

The second, class "B," is for pages which could be expected to be stored in the information warehouse.

The charges for the public service starting in 1979 will be for class "A" a £4,000 service charge plus an annual rental of £4 for each page of information stored in the system. Discounts of 25 per cent and 40 per cent are offered for contracts of three years and five years, respectively.

For class "B" service, the service charge is only £1,000 plus an annual page rental of £1. In addition, however, the Post Office will levy a charge of 0.5 pence for each time that a user inspects the page. The lower standing charges reflect the relative cheapness of a central warehouse, and the usage charge reflects the expected cost of communication from the warehouse to the satellite computers.

Max Wilkinson

British skills

CONTINUED FROM PREVIOUS PAGE

medium. By the mid-1980s, ITT believes that a third of all domestic colour sets sold in the UK could be equipped to receive Viewdata. This would be about 500,000 sets a year. By that time printer units, full typewriter-style keyboards and substantial memory units could be descending in price from the business to the consumer market.

If this happens, a substantial proportion of homes will be equipped with computer-like equipment capable of being linked to a post office computer

Messages

The system could handle large quantities of news and comment, classified advertisements and other information, and in principle would allow people to type messages to each other, either for display on a screen or to be printed out on a nearby printer.

The important point about such a service is that people equipped with this computing

power would not have to know anything about computer techniques, any more than they have to know how the telephone or the television set works.

Viewdata has been designed mainly to do familiar things in a different way and some unfamiliar possibilities in addition. Many of the more exotic possibilities of computers have so far failed to gain wide acceptance because they are too strange. Viewdata, which is essentially a simple service, may lead to stranger consequences than people yet dream.

How Viewdata can pick any cherry.

Most companies in Viewdata provide one service or another. We happen to be experts right across the field. The Post Office picked Cherry to provide the first public access terminals for Prestel. Now here is what we can provide:

1. Your own intelligent terminal, a single or complete system.
2. Public access terminals for Prestel.
3. Intelligent editing services for information providers.
4. Software development services, including
5. Full umbrella services for sub-information providers.

Call any number and ask for Richard Davies. **Cherry Viewdata.**

Telephone: 01-459 2236/9 Telex: 260 623 Prestel No: *245 #

data base print-out and enquiry analysis.

A DIVISION OF CHERRY INSURE (UK) LIMITED, 387 HIGH ROAD, WILLESDEN, LONDON NW11 2PL

Most companies in Viewdata provide one service or another.

We happen to be experts right across the field.

The Post Office picked Cherry to provide the first public access terminals for Prestel. Now here is what we can provide:

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Call any number and ask for Richard Davies.

Cherry Viewdata.

A DIVISION OF CHERRY INSURE (UK) LIMITED, 387 HIGH ROAD, WILLESDEN, LONDON NW11 2PL

Philips viewdata experience opens up a whole new world of knowledge.

From the very first days, Philips has been deeply involved in the creation of viewdata systems—with you and your business in mind.

And with substantial investment from the Group's annual £400 million Research & Development budget committed to this exciting new technology, the Philips involvement continues.

Our Mullard Applications Lab at Mitcham and Philips Research Lab at Redhill are engaged day to day in the current and future development of viewdata technique in all its aspects.

Additionally, all the Philips companies with

specialist skills in chip technology, video, computing, business equipment, telecommunications and systems software have been harnessed together to give a range of products and services second-to-none in the viewdata field.

So it is, today, that Philips Group companies and divisions are working together to give you a total capability in equipment and systems for all viewdata services of the future.

Now, as we move into a completely new era of business communication and information, you can be sure that with Philips you will stay—simply years ahead.

A business viewdata system of your own

Philips Data Systems, one of the world's leading suppliers of business computer systems, has applied viewdata technology to the production of private systems for business users.

With a viewdata system of your own, the possibility of providing every member of your staff with instant access to all the information they need to do their work becomes a reality—at a very realistic cost.

A system can be designed specifically for the needs of your business; it is totally under your control; totally secure from unauthorised access; and involves no running costs to speak of because it uses your own internal telephone system, and your own staff run it.

Philips has designed the private viewdata systems to be foolproof in operation so that literally any member of your staff can learn to use viewdata in minutes—and can then find in seconds what they used to spend hours hunting for.

So if you've ever wanted to cut out the time your people waste just getting hold of information, viewdata offers the solution. A visit to one of Philips' Viewdata Workshops will show you all you need to know. **PHILIPS DATA SYSTEMS**

Video, voice, data or text communications

Pye Business Communications Ltd. offers an unprecedented products and systemisation resource in the area of integrated electronic communications systems—the very essence of the office of the future.

In this context, viewdata is an intrinsic and essential component.

Typical applications are communicating and 'intelligent' systems for closed-user groups on the PRESTEL service; or closed-circuit groups via PRESTEL; or fully intercommunicating private networks using an independent central computer and linked, nationwide if necessary, using private wires (tellines).

Such services could be externally accessed via connection to the public switched network.

Pye Business Communications is dedicated to the application of viewdata as part of its commitment to designing, supplying and installing a total capability for video, voice, data or text communications. **PYE BUSINESS COMMUNICATIONS**

Purpose-designed business information data terminals

Pye TMC is a major supplier of subscriber products to the British Post Office and other PTT's. And it was one of the first companies to become fully committed to the development of viewdata systems.

Pye TMC's wide experience of using advanced electronic technology, and the incorporation of large scale integrated circuits into communication products, has enabled it to develop a very competitive range of equipment.

In addition to supplying other equipment manufacturers with automatic dialling and isolation circuits for incorporation into their own colour viewdata TV's, Pye TMC has developed the visa terminal aimed at the needs of the business market.

This Pye Visa Business Information Terminal is a purpose-designed data terminal which combines simple operation with the full range of facilities required to meet the needs of the professional user of viewdata systems.

Pye Visa is a compact, totally self-contained equipment carefully styled for desk-top use and incorporating an integral 'telephone' keypad for ease of operation.

And as the user becomes familiar with the terminal and in using the viewdata system, a number of 'expandability' facilities can be added such as a tape recorder, an alpha and numeric search keyboard, action printer and monitor extension. **PYE TMC**

Viewerchip—vital to viewdata

Britain's leading position as the first country with an operational viewdata service is in no small measure due to Mullard's massive investment in large scale integration technology for the production of silicon chips.

One result has been the Viewerchip—vital to the development of viewdata systems both within British industry and abroad.

Today, Mullard Viewerchip is earning international recognition, too, with the role it's playing in the development of Standards for TV Data services in Italy, Sweden, Holland, Germany, North America and Australia.

But this is just part of an even larger and continuing commitment that has given Mullard a unique position as a supplier of components, individually or as fully engineered modules, for complete systems.

From the outset, the Mullard laboratories at Southampton and Mitcham worked closely with the equipment designers to ensure the economic production of viewdata systems capable of meeting the consumer and professional demands of today's and tomorrow's information services.

Mullard, the largest producer of components for British industry, with their worldwide technological resources, are also pioneers in Teletext—and played a part in helping to establish the British Standard. **MULLARD**

'Viewdapter' brings viewdata to the standard TV screen

The Labgear 'Viewdapter' is a compact unit for the display of PRESTEL information on a standard colour or b&w TV receiver.

To find out how Philips viewdata systems will offer the best advantages to you or your business, send for details of Philips products and services most relevant to your needs.

Also see our separate advertisement for details of the Philips viewdata workshops where you can discuss practical applications of the new technology.

No internal connections or modifications to the set are necessary. This 'Viewdapter' adaptor has many positive advantages.

Firstly, the TV display can be chosen to suit the individual—in b&w or colour, large screen or small screen.

The adaptor can be used with the 'second' TV—thereby not interrupting normal TV programmes.

The 'Viewdapter' model 7050 comprises a wall mounted unit and desk-top keyboard, the only unit necessary on the operator's desk.

It also provides full autodialling of up to six telephone numbers which can be programmed from the keyboard together with the user's identification number during installation.

The 'Viewdapter' could transform your business life—tomorrow. The future is that close. **PYE LABGEAR**

Word processors for viewdata

Development plans are well advanced for integrating the Philips Word Processor range with both PRESTEL and private viewdata systems.

Early in 1980, the Business Equipment Division of Philips will also be offering software packages for off-line data preparation and text editing.

Adaption of the VDU/Keyboard Operator Console will provide the dual function of word processor and viewdata terminal with the additional facility of disk storage and production of hard copy from the high speed electric printer.

Substantial economies will be gained in commercial organisations where the production of frequently updated printed information would otherwise be an expensive operation.

Also from 1980 the Business Equipment Division will be offering a choice of receiving terminals suitable for business use. **PHILIPS BUSINESS EQUIPMENT**

Colour televisions for viewdata reception

The Philips 675 is our PRESTEL receiver which has been used in the official British Post Office viewdata trials.

Based on a perfectly normal domestic colour set, it has been developed to accept all the new and exciting viewdata information.

It is where all Philips' vast expertise in both computer and video technology is brought together in a colour television to make the most of the Post Office's newest service.

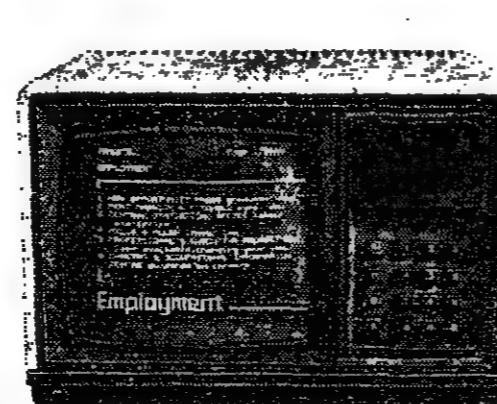
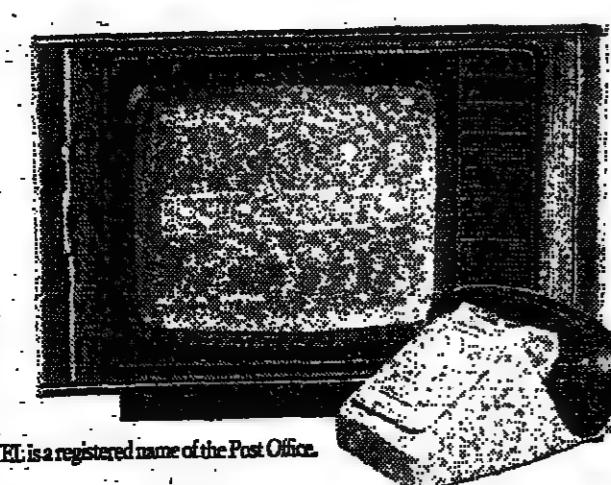
The other great benefit of the 675 set is that it gives excellent reception of all three domestic television channels, but also receives both Ceefax and Oracle, the off-air Teletext information services.

For further information on the 675, tick **PHILIPS VIDEO** in the coupon below. **PHILIPS VIDEO**

Philips Viewdata Group (CB)
Philips Industries, Arundel Great Court,
8, Arundel Street, London, WC2R 3DT.

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POSITION **PYE BUSINESS COMMUNICATIONS**
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VIEWDATA SYSTEMS IV

How the service evolved

VIEWDATA IS closely related to the broadcast system called teletext, which displays "pages" of computer stored information on the screen in exactly the same format. Whereas viewdata reaches the user by telephone wire, teletext is transmitted over the air by the broadcasting companies using spare capacity on the existing television channels.

The BBC's service is called Ceefax, while ITV's version is called Oracle—the main difference is that teletext services are not interactive. That means the user can only capture pages as they are transmitted in a rapid sequence. He cannot send any information back to the storage computer as is possible with the direct telephone link in a viewdata system.

Both teletext and viewdata were developed independently in Britain. The BBC was experimenting with a system of subtitles for deaf people, while the Post Office was considering how to put data onto its experimental viewphone equipment.

Later, the BBC and the Post Office co-operated to ensure that the two systems were as close as possible so that the same receiver could be used for both.

After the first experiments, the development of viewdata has been faster than expected. The start of a public service this year comes only five years after the original specification and design study was written by Mr Sam Fedida, the Post Office research engineer who is credited with the original idea of viewdata.

Mr. Fedida first conceived the idea during the late 1960s when he was working on a computer register of hotel vacancies. He found that most of the cost of this system was taken up with the salaries and overheads of the central bureau which operated the computer information system. This was mainly because of high labour costs in the bureau.

Mr. Fedida realised that a much more efficient system would result if the customer himself was able to gain access to the information in the computer without the need for clerks as intermediaries.

These ideas began to crystallise when he joined the Post Office as a researcher in 1970, to work on Viewphone, the system which allows telephone callers to see and hear each other.

Experiments

From experiments with putting text on to viewphones he moved to the idea of adapting the ordinary television set. This was the crucial step because it opened up the possibility of mass production and low costs which have become the central features of viewdata.

The technical problems of displaying data on a domestic television set are relatively simple. The breakthrough was to foresee how mass-produced computer terminals could be exploited in a public system.

By July, 1974, a working model was demonstrated to Sir Edward Penneysey, then deputy

chairman of the Post Office and managing director of Telecommunications. Sir Edward immediately put the idea into the marketing division, for its full implications to be explored. During the next two years the basic principles of viewdata were established. They were:

• Reliability: A system which frequently broke down would soon be discredited.

• Simplicity: Anyone should be able to use it without instruction.

• Speed: As many people as possible should be rapidly served by the computer.

• Cheapness: Both the sets and the computer centres must be designed to be as cheap as possible.

The system was to cost only about a tenth of existing specialised computer bureaux.

An important consequence of this tripartite approach was that the Post Office could not expect a statutory monopoly over viewdata services. Any organisation should be free to set up a viewdata computer and to disseminate information to customers provided they used equipment approved by the Post Office which will be readily available in the form of viewdata sets or terminals.

This represents a significant relaxation of the traditional Post Office attitude to the use of telephone lines. Subscribers

are not allowed at present to even connect a telephone to their lines. Only Post Office equipment may be used and it must be connected by Post Office engineers.

Regulations for using the telephone lines to transmit

computer data are even more strict, with the Post Office exercising very tight control over the MODEM which converts computer signals into a form acceptable to the telephone network.

In future, however, television sets and terminals made by a wide variety of manufacturers will be connected to the network through standard jack plugs with the proviso that the sets and the modems inside them have been approved by the Post Office.

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• Simplicity: Anyone should be able to use it without instruction.

• Speed: As many people

VIEWDATA SYSTEMS V

Scope for private projects

DURING THE protracted run-up to the launch of the Post Office's own viewdata system—Prestel—all the companies directly affected by this major development (either through the prospective sale by them of suitable modified TV sets, or of computer equipment able to compete with the machinery originally selected to run the pilot scheme), have had ample opportunity to improve on the original work within the Post Office, as well as that carried out by BBC and ITA on Ceefax and Oracle.

Ability to store data and retrieve it from very large amounts of information held in a strict hierarchical format—rapidly and at low cost being the main characteristics of the system—had not gone unnoticed.

This machine has no penetration in the U.S., and Inssac is neither equipped to market computers outside nor to support them once they are installed. That is not its function which has been defined by the organisation's head John Pierce as selecting and promoting software developments which have a big export market

potential—Prestel being one such.

U.S. Government work in the area may well show itself to be an obstacle to the ready adoption of a UK-invented system, if only because of the strength of the American NII syndrome. DIDS is the acronym for the U.S. federal project, standing for Domestic Information Dis-

play.

Prototype

In prototype form, it is capable of organising statistical information across American counties and cities under 265 headings and under 443 headings for standard metropolitan statistical areas. Like Prestel, it is interactive and "menu-driven," i.e. by selecting from successive lists of chapter headings.

Some 19 federal agencies, one of which is the Executive Office of the President add new data to DIDS which is helping users correlate information in groupings which have hitherto not been attempted and carry out such operations very quickly. It is based on work carried out by NASA for the analysis of images collected from satellites.

What DIDS can do is provide an immediate multi-colour map of America, or downtown Chicago, and so on, showing un-

employment levels, or average property tax incomes below poverty levels and so on.

It is being used now to analyse key politico-economic issues and ultimately could be turned into a centralised data base available all over the U.S. officialdom, but also to private industry.

At the opposite end of the scale is the "do-it-yourself" Prestel kit issued recently by Mullard on Signetics microprocessors and support chips.

Meanwhile, Philips has made a major European launch of its own private viewdata system on which it has been working since 1975. Development took place in close co-operation with the Post Office as well as the programming staff working on Oracle at ITA and Ceefax at the BBC—thus, the Philips system can handle all three, if required.

It is based on one of the company's minicomputers, but has a much more flexible software repertoire. An editing keyboard specially developed for it makes operation particularly easy.

Example

Testing took place over months with the collaboration of Philips centres in the Netherlands, Sweden, Germany and France. The result is a

system that allows users to gain advanced technology products. Recently, it launched a laser-recorded and read-disc system which packs the information contained in the Encyclopaedia Britannica on less than the surface of an LP record.

The potentialities of equipment such as this are enormous, because it is relatively easy to find a stored item in a matter of seconds. Coupled with Philips viewdata this store could serve even the biggest companies and Government organisations with fail-safe duplication and triplication at relatively low cost.

Philips is the first major international group to show its hand in the viewdata area. But it is known that ITT, working with the German Bundespost, has many cards up its capacious sleeve.

Coin in the slot viewdata is already available. And many companies are wondering just how quickly the whole operation could take off and whether to put some money into software improvements and/or the development of systems that cost a little less than the princely £80,000 quoted by Philips.

If the marshalling of information to form a viewdata base is as easy as developers say, takeoff could be almost vertical.

Ted Schoeters



The Prestel User's Guide and Directory, including the Teletext and Viewdata Magazine—published quarterly—tells all you need to know about Prestel and Teletext.

For details of how to advertise in, and obtain copies of, the Prestel User's Guide and Directory
Contact: Caroline Wade, Telephone (0603) 28311
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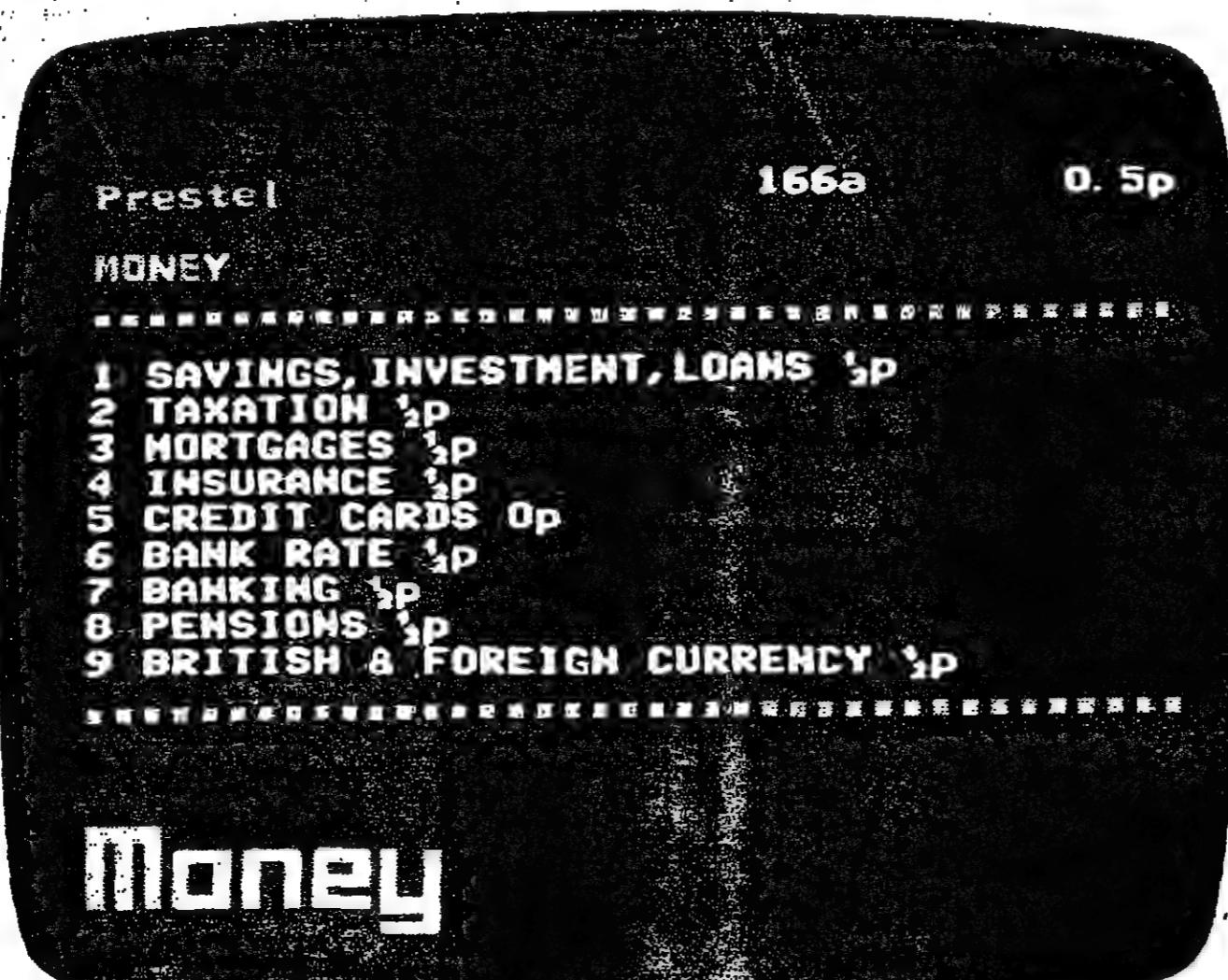
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A BARTELA JOINT VENTURE

If you own a television set, you probably won't be able to read this.



It's a page from the new telephone-linked home information service, Prestel.

And, as yet, only a tiny proportion of television sets in this country are designed to receive it.

Which means that even if you invested in a new set as recently as one year ago, you won't be able to read a page of it in your own home.

It's just one of the developments in television technology that have happened over the last few years.

And it's just one of the reasons why renting rather than buying a set is the best way to keep up with progress.

If you rent a TV set from Radio Rentals, you can change models when you wish, at the appropriate rental, to cope with the accelerating pace of technology.

Already Radio Rentals have installed the first Prestel sets in customers' homes.

And even at this early stage, there are thousands of pages of information available to Prestel subscribers.

It's a sign of the way television is moving from being a simple means of entertainment to a much more complex domestic information medium.

Ceefax and Oracle, for instance, the BBC and ITV information banks, are now plugged in to a great many Radio Rentals homes.

We already rent home video recorders, which, together with Ceefax and Oracle, are ready and waiting for any of our customers who want to make use of them.

So if you are thinking of investing your own hard-earned cash in a new television set, pause a moment.

Because you could well find that next year, your brand-new set seems a lot more than 12 months old.



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Telex: 923429

VIEWDATA SYSTEMS VI

Worldwide race to rival UK system

ONE OF the main aims of the Post Office in pressing ahead with the development of Prestel was to establish its own version of viewdata as a standard in as much as the world as possible.

There were several reasons for this. The first, perhaps, was the hope that British industry, particularly the television manufacturers and the computer industry, would benefit from the prestige of this British first in technology. Second, the Post Office foresaw that viewdata itself would greatly benefit from international standardisation. It would be convenient at least if data stored on German viewdata computers could be transferred without special converting equipment to the British system.

But perhaps the overriding question was of costs. If viewdata is to reach a mass market, costs must be brought as low as possible as quickly as possible. Mass production of receivers and the standardisation of components can only be achieved if there is the prospect of a reasonably large market, and in Europe at least, that implies that similar systems should be adopted in different countries.

The most important success so far has been to persuade the German Bundespost to develop a viewdata service (Bildschirmtext) along the basic lines pioneered by Prestel.

The Bundespost has taken a licence from the Post Office for the basic software for a test service and it has also signed a contract with INSAC, the National Enterprise Board's computer software marketing subsidiary, for the development of a viewdata system to fit German requirements.

INSAC already has a licence from the Post Office to sell viewdata based on Prestel in the U.S. and it is negotiating for a similar licence to cover Europe and the rest of the world.

The British system has also been adopted in Holland and Hong Kong, and negotiations are taking place in several other countries with a view to setting up national systems.

However, in some countries, notably France, Canada and Sweden rival systems are being developed, and a strong commercial battle can be expected as different viewdata systems start to compete in the next few years, not merely as rival national public systems, but also for adoption in private systems.

In France, the Ministry of Posts and Telecommunications is

developing Teletel, a system which is compatible with a French broadcast teletext system called Antiope. This system is not directly compatible with the British teletext format.

The main difference is in the way in which the British and French broadcast systems encode their information. The British broadcasting system uses time equivalent to one line sweep across the television screen to encode one line of text. The French system, however, does not use this exact correspondence. Instead, it uses an electronic code to signify the beginning or end of a line of data.

The French system is more economical in its use of the available broadcast bandwidth, but the British system is claimed to have the advantage of simplicity and robustness.

Arguments

The technical arguments between the two broadcast systems can be expected to be repeated when the French start the market trial of their Teletel in 1980 with a planned 2,000 sets on the outskirts of Paris.

In Japan, several research projects are now under way, of which the best-known is called Captains. Because of the compilation of their written characters, are concentrating on a "wide band" system which would be capable of displaying colour photographs rather than just the text and graphics of viewdata. However, most ordinary telephone lines do not have enough capacity (bandwidth) to transmit colour pictures at an acceptable speed.

Since the economics of viewdata systems depend upon using the telephone networks as they are at present, a wide band viewdata is unlikely to be generally available for several decades, and for this reason, direct Japanese competition in viewdata is unlikely to be important in the short term.

However, their pre-eminence as television set-makers could bring the Japanese into the market when it becomes attractive to consumers.

Outside Europe the most advanced development is probably in Canada, where two separate systems have been developed. The first to be announced was Bell Canada's viewdata, loosely based on the UK's Prestel. It is called Vista and started a pilot trial at the beginning of 1979 with 25 users' terminals in Montreal, Toronto and Ottawa-Hull.

At the same time, the Com-

munications Research Centre, of the Canadian Department of Communications developed its own system, called Telidon, which offers more complicated graphics than Prestel, by dividing the screen up more finely.

It is possible that Telidon graphics will be incorporated into Vista by the time that Bell Canada is ready to launch a commercial system in 1981.

Telidon can display curved lines rather than the more jagged graphics of Prestel. However, supporters of Prestel say that it will be easier and cheaper to use.

One of the main aims of the Canadians in developing their own system is to attack the very large U.S. market, which in spite of its sophistication in the development of computer in-

formation systems, has lagged behind the U.K. in exploiting the viewdata concept.

The main British hope in the U.S. is INSAC which is expected shortly to sign an important contract with General Telephone Electronics to market Viewdata systems in the U.S.

INSAC will provide the British software and management expertise based on their experience of Prestel, while GTE will provide the financial and marketing muscle to sell the system to the large corporations which are expected to be the first customers.

GTE not only has a wide base in telecommunications, but also, through its subsidiary, GTE Sylvania, should be able to provide viewdata terminals based on domestic television sets

when they become necessary. INSAC's strategy in America is markedly different from that of the Post Office in the U.K. Whereas the Post Office is launching a national service which it hopes will be used by consumers as well as businesses as soon as possible, INSAC will be concentrating first of all on the business market.

Its strategy has four prongs: first, it wants to sell private viewdata systems to the large corporations for use as internal information channels. It will probably do this with the help of GTE and perhaps another company acquired to help with the marketing of the systems.

Second, it hopes to establish a service for businesses which want a private system but do not wish to buy their own computer.

Finally, it is hoped to develop the system for the mass domestic

market, probably as an evolution of the business service, and using some of the same data (i.e. timetables) which would already be stored on the business service computer.

An obvious consequence of this approach is that many of the receivers for U.S. viewdata systems will be intelligent terminals—that is sets with a keyboard, memory and computing power of their own. INSAC will probably try to link up at an early stage with a manufacturer of terminals to provide special equipment which will be suitable for the systems which it will be designing. By this means it will hope through its partners, to offer a complete package of system and equipment to go with it.

To successfully launch a

system before competition can come in, the timetable is inevitably tight. The first viewdata system is scheduled to be in operation this year, and it is hoped the venture will be bringing in significant revenues within three years. INSAC itself has been allocated about £10m by the NER to invest in the development of viewdata and it is likely that GTE would have to invest something of the order of £20m to get a fair-sized system off the ground.

INSAC can also be expected to adopt similar strategies in the rest of the world—particularly in Europe. Even in France it is hoping to establish a foothold because the rival French system will not be available for several years.

M.W.

A wealth of databases available

PROBABLY THE most important aspect of the viewdata concept is that it provides ease of access to information in a bank potentially unlimited in its extent—but, for the time being, relatively restricted, though rapidly updated.

But if all goes well with viewdata services, such weighty data will become much easier and presumably less costly to tap.

For the expense of a converted TV set and a link to a user's printer(s) or disc(s), a wealth of data bases will open up.

But what the existing data processing department thinks of the development is another matter entirely.

In view of the revolutions in information handling that are predicted for the average office by Arthur D. Little, among others, it is likely that the key staff will have its hands so full of change that one more development—reliance on data bases wholly beyond company control—will make little difference.

After all, Arthur D. Little predicts that offices will have... new text processing systems, facsimile and copying machines, electronic telephone dictating systems and communications processors.

It is predicted that "eventually these will all be able to plug into a kind of information ring main around the office and

members of relatively restricted groups—clients or partners. The multi-level economic parameter service from Datastream and the Scicon service to give access to the well-known model of the national economy are cases in point.

But if all goes well with viewdata services, such weighty data will become much easier and presumably less costly to tap.

For the expense of a converted TV set and a link to a user's printer(s) or disc(s), a wealth of data bases will open up.

But what the existing data processing department thinks of the development is another matter entirely.

In view of the revolutions in information handling that are predicted for the average office by Arthur D. Little, among others, it is likely that the key staff will have its hands so full of change that one more development—reliance on data bases wholly beyond company control—will make little difference.

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It is predicted that "eventually these will all be able to plug into a kind of information ring main around the office and

communicate with each other... ultimately, a letter typed on a keyboard or dictated to a voice-input typewriter in one country may appear on an intelligent copier thousands of miles away in another country, possibly with the letterhead and signature of the sender."

Question

This is heady stuff. It spells particularly heavy demands on the services of national PTTs, who already face the crucial question of reliability of service if widespread use of viewdata as an essential part of commercial and industrial life is to come to fruition.

And judging by the list of databases already available for exploitation—initially through the Euronet packet-switching system with its specialised nodes and terminals, there is a potentially immense market for viewdata equipment which would make their contents more widely accessible. There are close on 140 of them, many in highly specialised areas such as cancer research it is true. But a large number are relevant to industry and commerce in general.

The question appears to be: how would the information culled from them be integrated with that generated by the company itself, both from internal events and from data drawn from other sources by a stored documents which is relatively easy for banking

Services) organisation? Remembering that the emergence of databanks is due in some part to the failure of companies to cope with the paper deluge of the past 30 years, the last thing easy access to databanks must produce is yet more paper.

CIS will immediately transform the classic reference library beyond recognition and establish a retrieval system working on demand.

An idea of how this might operate can be gained from studies in progress at two of the big four banks in Britain and from equipment already being used or installed in Europe by a medium mini. At a rough guess, the package might come down to about £5,000 in the next five years, which is minimal for a "live" library able to accept immediate input from any source.

There are, of course, the private viewdata options, described elsewhere. But they are nowhere near the purses of the smaller companies and despite the endemic sharp fall in electronics costs between origination and widespread use, they are not likely to come within the scope of such purses for several years.

Retrieval from disc is immediate and from videotape an average 30 seconds—which is minimal since each tape contains tens of thousands of pages.

Crucial is the encoding of the CIS (Corporate Intelligence

paper but not so simple for a miscellany of reports, graphs, collections of statistical figures and so on.

So far as the smaller company is concerned, the crucial question is how cheaply such equipment could be produced and operated. Since the first units of the Belgian design are only moving into large-scale user situations at the moment, it is hard to say.

A minimal array would need the fairly expensive CCD input device, disc and tape system and, say, two keyboards and displays (each with its own microcontroller) the whole operated by a medium mini. At a rough guess, the package might come down to about £5,000 in the next five years, which is minimal for a "live" library able to accept immediate input from any source.

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There is nothing to stop smaller companies in a given section, perhaps defined by the appropriate research association, from setting up a sector interest-viewdata system, with appropriate coding safeguards on a company basis.

After all, a single viewdata computer centre, as it is now conceived, can store and maintain—that is, constantly update—as much as 250,000 A4 pages of formation and more. And developments are at hand that can at least quadruple this data store.

A series of projects along these lines would speed the advent of information on demand to the various industry groups while greatly reducing the cost that would otherwise be incurred through a piecemeal approach.

All that has to be overcome is the understandable company resistance to "letting go" of information, especially after many reports of computerised fraud, not all confined to the U.S. But what companies let go of is up to them and, in any case, information can so be coded that it would be of little use to non-company staff.

Essentially, all that viewdata systems are seeking to do is to eliminate paperwork, which has quite rightly been called the scourge of advanced society. If that society is not to grind to a halt under a deluge of indigestible documents then it must find an escape route through electronics. But there will always have to be a decision-maker who feeds the input to electronic storage. How will management train him?

Ted Schoeters

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The 675 is the Prestel receiver in the comprehensive Philips television range. It's where Philips expertise in both computer and video technology come together to make the most of the GPO's newest information service.

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Simply years ahead.



VIEWDATA SYSTEMS VII

A triumph of technology

Two types of terminal have been developed for today's viewdata systems—there is the Volkswagen view" of how a terminal should be designed, or the "Rolls-Royce approach".

But unlike the cars, within few years the two types of viewdata receiver are likely to cost the same.

The other main contrast in the world's emerging viewdata systems is in the networking philosophies and techniques employed to link users with the information and other services they are expected to want.

The biggest difference in the way the receivers operate is between the Telidon system developed in Canada, Japan's captains, and the two European rivals—Britain's Prestel and France's Teletel (the viewdata component of the experimental Antiope system). Much is made of the rivalry between the European systems, but the terminals they use are

technically very similar, although the French PTT (post office) intentions for Teletel as a service are far more ambitious—even grandiose—than those for Prestel.

The British Post Office has taken the view that a people's computerised information system would be unlikely to catch on if it used expensive and complicated terminals, so it designed the simplest possible bond between those familiar household items, the telephone and the television set.

Some observers of the viewdata scene are beginning to question the Post Office wisdom of freezing the design of its terminal so soon, and suggest that it is taking a gamble on Prestel becoming the *de facto* international standard before more sophisticated alternatives can be demonstrated in large scale use.

Prestel, and to a lesser extent, Teletel are contrasted to

Telidon, a viewdata system currently in the early stages of development at the Canadian Department of Communication research laboratories.

Telidon is now the Rolls-Royce of viewdata, linking telephone and television display, in what is at present an extremely expensive way. But as the cost of electronic circuitry plummets, so a Telidon terminal need not in the near future cost much more than a Prestel set.

Features

The basic viewdata receiver is a television set which includes the following additional features: an auto-dialler that "remembers" the telephone numbers of the computers it is likely to access and which will dial them up at the press of a keypad button; a modem (modulator-demodulator), which converts the audible tones transmitted over the telephone net-

work back into the code recognised by computer and terminal; an identification number "hard-wired" into the set so that the viewdata computer knows which terminal to bill for page access; a character generator for the construction of the shape of each character that corresponds to the codes transmitted to the terminal; and a page store retains all the characters as they are displayed on the screen.

None of these features is particularly revolutionary, but it is only the advent of large-scale integrated (LSI) silicon chip circuitry that has made feasible the mass-production of television sets with these additional electronics.

Both Prestel and Teletel information transmission is character oriented—the characters arrive at the terminal and are changed by the modem from only memory (ROM); the page store uses random access memory (RAM) whose contents can be altered.

The whole package is con-

trolled by one or more microprocessor computers on silicon chips.

The Prestel screen can display up to 960 characters, in 24 lines of 40. Each character is built up by the lines joining the points of a five-by-seven matrix of dots. Each character space can be taken up by numbers, lower or upper case letters, or by one of 64 combinations of six rectangles. Teletel characters have similar characteristics.

The key difference between the European viewdata terminals and those of Canada and Japan is the way in which they handle the composition of graphics.

Both Prestel and Teletel information transmission is character oriented—the characters arrive at the terminal and are changed by the modem from only memory (ROM); the page store uses random access memory (RAM) whose contents can be altered.

generator's ROM and passed to the page store for display on the screen. Graphics are built up as a mosaic of rectangles.

It is the way in which the characters are coded that is at the centre of the French-British wrangle over whose system should form the basis of an international viewdata standard.

Character-oriented transmission is fine for letters and numbers—but for graphics, the Canadian Department of Communications has decided that the mosaic method is too crude. The Japanese have been forced to the same conclusion by the complexity of their Kanji characters.

Thus, the Telidon system treats the whole receiver screen as a dot matrix. Instead of a sequence of character codes being used to build up a mosaic approximation of the required graphics, the Telidon computer transmits a set of geometric

expressions to describe them, along with colour and start and end point information.

The Canadians have found that only seven different expressions are needed for nearly all purposes. These include line, arc, polygon, point and area.

Compared with the awkward shapes drawn by Prestel and Teletel, Telidon's look very much like the real thing.

Mr. David Seacroft, a viewdata specialist at the Butler Cox and Partners consultancy, and a Teletel enthusiast, does not agree with the European view that the Canadian system is too

much of the future."

Like the Bundespost, the French PTT is prevented for regulatory reasons from entering the information business as the UK Post Office has done.

So, Teletel users will be offered a service which will not only allow them access to information, but also to send messages to another Teletel receiver, or to a telex machine, or to the telex "super telex" service currently under discussion at international standards bodies.

This is "interworking" with all conversion between different types of devices being handled by a local Teletel centre that then routes the information through Transpac, the PTT's new computer communications network.

Telidon information providers will link their computers directly to this network to sell their wares, rather than rent space on a PTT-run machine, as is the case in Britain. The Post Office has given interworking a low priority for its Prestel operations.

This could be partly because a Prestel set with a printer that would work with telex would be a far more attractive proposition to small users than a telex machine that costs £500 a year to rent. And the Post Office has already lost the top end of the telex user market to the suppliers of the computerised message switch devices it cannot provide.

The novelty of viewdata services is not just that they can provide cheap access to the information stored on a computer. It is here where "telesoftware" comes in. Telesoftware means the storage, in the Prestel database, of computer programmes which may then be retrieved by intelligent Prestel terminals, which can then disconnect from Prestel and operate as independent Prestel computers. The software house CAP-CPP is a pioneer in this field.

It has the obvious plus that once the programme is retrieved from the system, the user hangs up the phone and now "possesses" the information, rather than "hiring" it at a constant charge.

The Prestel terminal must, of course, be modified to be intelligent: it must have its own little micro-computer added to it. While this means that the intelligent terminal will always be more expensive than the simple passive terminals, micro-computer costs are coming down, constantly and quite rapidly.

Independent viewdata consultant, Mr. Richard Clark, of Joan de Smith and Partners, is particularly impressed with the French PTT's future intentions and describes them as "very

Roger Green

Many possibilities to be explored

In a strictly practical sense, viewdata is *all* in the future, Prestel, the British version, is the first by some two-three years, yet even Prestel has so far only undergone market trials, and is just beginning to keep out on to the market. Now, then, we can speak of the "future" of a future system in terms of different from those sewn here in this survey?

We can only do so by assuming that the present consists of known capabilities of Prestel as it has been developed so far, presumably, be practised; and that concentrate on "future" which can be imposed beyond these known and tested capabilities.

The future of Prestel/viewdata is tied up with the general evolution on "informatics" or "communications"—these new images which have been invented to denote a communications technology, based on computer logic and using microelectronics. This will handle ever-increasing amounts of information which now requires transmission by paper or, even

more cumbersome, requires the physical travelling of people so that they can exchange information and arrive at decisions. To the modern electronics engineer or scientist, such time-hallowed (and time-consuming) methods are barbarously slow.

In this context, Prestel's present capacities are merely a beginning, though one which shows, in embryonic form, what is possible. For once the link up between telephone and television is effected, and through the "phone line, access to computer-stored information is open, then the system is capable, given adaptation, of a wide range of possibilities.

First, it can be more than simply a receiver which takes and displays information only when the viewer is there to view. By linking a cassette recorder to the set, it will be able to pass on and compile computer programmes for personal use later, when the user has a micro-computer. Second, and more complex, is a "hard copy" (paper) printer

which can receive copy which would otherwise be displayed on the screen. Given a relatively silent system, such a printer could receive copy overnight, quite possibly producing an "electronic newspaper" for the customer's breakfast table.

Printers of this sort are expensive; like the Prestel system itself, the price must come down if they are to be widely used.

Revolution

The "electronic newspaper" has been the subject of some worried debate, quite possibly because the newspapers in which the debate is there to view. As the "sifters and rejectors" of information to being "critics and guides, helping the reader find his way in enjoyable and effective fashion around the vast electronic libraries to which he will have access" preserve the Press's traditional pluralism and develop and exploit the new technology effectively.

Alex Reid, the Prestel director, had some soothing words for newspaper executives in a speech he made last year. Calling the development "a third

electronic revolution in the of trade, but a creator of new markets.

However, the doubts that newspaper managements have are not all merely conservatism. Scepticism is not out of place when it is considered that a hard copy printer is unlikely to be able to produce professionally designed, highly portable newspapers with greater or lesser numbers of high-quality photographs and

(b) that the capital costs to the newspapers, as well as the cost to the user, is likely to delay the system, even if it can deliver as high-quality a product, for some years.

As the "intelligence" of the Prestel terminal increases, so the set becomes more like a home computer, with calculation and various programme functions added on to it. Thus, a large number of games which require a screen may be played: the household, or small business budget can be worked out with the aid of a programme while, given the ability to record and store information, an infinite variety.

CONTINUED ON NEXT PAGE

number of learning programmes may be worked on.

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INSAC's International Viewdata Centre has now been launched, and offers the following range of products and services:

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- » TRAINING for system operation, data base design, and screen design and use.
- » SUPPORT for implementation, software maintenance and all aspects of Viewdata application.

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 GRANADA
TV RENTAL

VIEWDATA SYSTEMS VIII

A valuable aid for the business world

BRITAIN'S BUSINESS community is about to take advantage of a world "first" in new business information facilities.

While private viewdata systems are already used in large companies such as Whitbread and the General Electric Company to communicate between head office and subsidiaries, there is at the other extreme a highly complex, sophisticated computer system called Geisco, operated by General Electric. It is the world's largest computer information system.

There is little doubt that in the first instance the Post Office, in launching the world's first public viewdata system, expected to launch Prestel into the business community which could bear the cost of the sets more easily—at present, more than £1,000 for a colour Prestel/TV receiver or £24 a month rental (Radio Rentals price)—but there is not yet enough space on the corporation's computers in business hours to do so. So, while residential users in London were offered the Prestel system on March 26, the demand has come not so much from them but the business community.

There are other companies such as Datastream, which already operated a private information system before Prestel's launch. Now parts of its information service are released into the Post Office viewdata system for customers.

This raises an interesting question of how such companies should price their Prestel information compared with their "traditional" service. This dilemma will become greater once public acceptability for the basic viewdata service has been achieved and a new phase of technological advance is undertaken, centred around the use of computing devices both in the home and in the office with the important addition of electronic printers and magnetic memory in the form of cassette recorders or mini disc units.

Unless companies modify their practices, the comparatively cheap cost to the customer using viewdata may therefore undercut present business information services. Travel agents and house agents, for instance, might experience severe competition from a viewdata service. Banking would almost certainly be affected and even professional services could eventually feel the impact.

Apart from information providers linked to Prestel, there are closed user groups. Companies such as GKN, Smedley Foods and British

Oxygen, for example have access to certain areas of Prestel, available only to themselves.

There are additionally, subscriber closed user groups—Infolex, for instance—which provides legal data.

The Post Office currently limits the number of closed user groups to around 15 per cent of the total information bank and there are estimated to be up to 50 closed user groups.

In theory, the Prestel network could connect private systems into the public network. However, because of the way the system is presently organised, opinion seems to be moving against this idea.

In Germany, however, serious thought is being given to the establishment of a network of computers which would all carry different information (instead of identical information as in Prestel).

The growth of closed user groups is unlikely to be startling, according to one international consultancy specialising in computers.

Within the next decade, British business users will likely see the advent of the universal terminal, linking their television sets to German, Dutch, North American and Hong Kong

viewdata systems. The release of worldwide information will be an obvious advantage to both companies and information providers.

American Express, for example, provides 100 pages on Prestel, information through Fintel. Yesterday, it increased the page number to 800 and further expansion when international links are established is inevitable.

Developments in computer software will bring further complexities to viewdata systems. The British software group, CAP-CPE, has already demonstrated its "telesoftware" technique which allows a transfer of computer programmes to "intelligent" terminals or small computers.

Britain's business information service on viewdata is being watched carefully by the U.S. Already, several American communications companies are showing a strong interest in developing a viewdata capability—based possibly on the Prestel system, although the approach will be quite different from that of the British Post Office. In the U.S. business information will be a priority—recognising that this will provide the "bread and butter" of viewdata costs.

Colleen Toomey

When the public's ready for Prestel, we'll be ready for you.

Possibilities

CONTINUED FROM PREVIOUS PAGE

Finally, it is certain that the viewdata systems will develop along the "interactive" route. This means, quite simply, that the home viewdata will be able not merely to receive, or store, but to communicate back to the Prestel computer, or to a range of other computers which may be accessed through the phone system.

Thus, the Prestel user may sit at home, or in the office, and call up a list of commodities which he might wish to purchase. Linking himself into the computer of the organisation which is selling these wares, he can enquire if a desired item is available, ask for it to be delivered, and if it is, then punch in a credit card number and pay for it there and then.

More controversially, the system can relatively easily be adapted to play a part in the democratic process, with the Prestel terminals acting as voting booths, or referendum sites. (The limitation here is, naturally, that they could probably only be so used when everyone has easy and assured access to a terminal.)

All of these uses, of course, depend upon a growing market: without such an assumption, the current state of the Prestel art is unlikely to be much used, and thus will not be able to provide a base for further developments. So what are the probable market trends?

Business will be the prime users: already, in the test trials, it became obvious that many business houses were anxious to try out the system's possibilities—there were many more requests for test sets than were sets to go round.

The price, here, is a minor matter: the provision of adequate, reliable and easily obtainable data is the crucial matter. If business can be assured that it is worth the outlay, then it will sell well, initially, and the business information providers will do a roaring trade. But that alone will not guarantee the system's success.

To be wholly successful, it must be taken up by the domestic market. As yet, that market is wary, in part because of the high price, in part because of the vision of rapidly mounting phone bills (particularly where young children can use a set), in part because the capacity and usefulness of the system is not yet known.

The development of a mass domestic market depends on effective marketing (at which the Post Office is improving), a rapidly falling price and ready set availability. Given these and the last two, especially, are still far from certain—the

Prestel takes off in the Autumn. By then, you'll be able to rent pages from us, free of crippling service charges and with the advantage of our equipment and the people to plan your programme, design your systems and input your data. Take as few as thirty pages or as many as you want. But remember, you're not the only middle-sized businessman reading this. Ring Barbara Ruben today on 01-353 0277 and get the ball rolling.

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Butler Cox & Partners Limited is a wholly independent management consultancy company. These two studies are objective, authoritative assessments of viewdata systems and their impact. The studies deal with the commercial and technical aspects of the systems, the opportunities and threats they create.

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Morley House, 26-30 Holborn Viaduct, London EC1A 2BP
Telephone: 01-353 1138 Telex: 88137 GARFIELD

Butler Cox & Partners Limited

Maybe a thorn in the side of the Tories

depend at least in part on co-operation with the larger local authorities.

The General Election campaign and outcome clearly took attention away from the local elections in the 38 metropolitan areas and 333 district councils in England and Wales, although for many people the local election results may prove in the longer term almost as significant.

The metropolitan districts were regarded as the main "prize" in the local elections. They are bigger in population (11.6m) and, because they have education, housing and personal social service powers, unlike the shire districts, they are responsible for about 80 per cent of the £5bn to £5bn now spent annually on local services and transfer payments (taking current and capital expenditure together) in their areas.

Crucial role

Labour lost control of the AMA—which has a crucial role in negotiating with central government over local authority spending—through a series of local elections during the last government.

With the Conservatives secure in their control of the other two major local authority associations, the Association of County Councils and the Association of District Councils, Labour needed to regain control of a majority of the metropolitan districts in order to have any foothold in the machinery of government.

To achieve this end Labour had to win back at least six of the metropolitan areas lost to the Conservatives in 1976 and 1978 together with South Tyne and Wear and Wolverhampton where Labour had the majority of council seats but no overall control.

Labour was expected to make some gains in the local elections because the last rounds of elections in 1973, 1976 and 1978 took place when the Conservative party had a majority of government.

A number of key Conservative manifesto pledges—including the sale of council homes—

and opinion polls was between 8 and 14 per cent. However, before the General Election date was announced neither party expected Labour to regain control of the AMA.

The decision to hold the General Election on the same day as the local elections introduced new factors.

General elections focus attention more on the main parties rather than on local policies. Also the usual turnout for local elections is between 30 and 40 per cent rather than the 80 per cent turnout witnessed at the General election. While there is no detailed information available on the turnout for the latest local elections, it seems probable that most people who voted in the General Election also voted in the local elections.

The impact of a higher poll coupled with cross-voting can be seen in the local election results although it would be wrong to suggest either that the effective swing to Labour was even across the country or that local issues played no part in deciding electors on the way they voted.

Labour regained control from the Conservatives in Coventry, Tameside and Sandwell, won effective control in Wolverhampton through the mayor's casting vote, regained an overall majority in South Tyneside, and became the largest party in Liverpool and Walsall.

In addition the Conservatives lost their overall majority but remain the largest party in Leed, Kirklees, Rochdale and Birmingham with Liberals or Independents holding the balance.

In Coventry, Labour won eight seats to take control on the same day that in the city's South East Parliamentary constituency the Conservatives ousted Mrs. Audrey Wise, the former Labour member.

In Tameside, Labour turned a two-seat Tory majority into an 18-seat Labour majority—probably reflecting local feelings over the previous Conservative

council's stand against comprehensive education.

Liverpool electors once again returned Labour as the largest party although keeping it from overall control. This still leaves room for the Liberals, who have controlled the council with Conservative support, to retain control based on a pact with either the Conservatives or Labour.

In Birmingham and Leeds substantial Conservative majorities crumbled leaving the Tories still the largest party but with no overall control. In both cases the Liberals hold the balance and could combine to give Labour control.

Whether Labour does regain control of the Association of Metropolitan Authorities will now depend on negotiations with the Liberals in these "stalemate" metropolitan districts and most critically on what happens in Walsall.

Membership, and therefore control, of the Association's committees, and in particular the policy and education committees, depends on a complex arrangement based on groupings of the metropolitan districts around the counties. The West Midlands grouping consists of Sandwell, Wolverhampton and Coventry (all Labour controlled), Solihull, Dudley and Birmingham (which will probably all be Conservative controlled) and Walsall.

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KEY METROPOLITAN COUNCILS FOR THE GOVERNMENT

(previous party strength in brackets)

LABOUR GAINS FROM THE CONSERVATIVES:

Coventry Lab. 31 (24) Con. 23 (30)
Sandwell Lab. 50 (43) Con. 19 (44) Lib. 2 (3)
Tameside Lab. 36 (26) Con 18 (28)

LABOUR GAINS OVERALL MAJORITY:

South Tyneside Lab. 41 (32) Con. (and others) 25 (34)
Wolverhampton Lab. 30 (28) Con. 29 (30) Others 1 (2)

NO OVERALL MAJORITY—LIBERAL HOLD BALANCE (LARGEST PARTY FIRST)

Birmingham Con. 63 (49) Lab. 56 (49) Lib. 7 (8)
Kirklees Con. 35 (48) Lab. 32 (15) Lib. 5 (9)
Leeds Con. 45 (50) Lab. 44 (39) Lib. 7 (7)
Liverpool Lab. 46 (40) Con. 23 (24) Lib. 30 (35)
Rochdale Con. 27 (37) Lab. 21 (16) Lib. 8 (9)
Walsall Lab. 28 (24) Con. 19 (22) Lib. 2 (1) Others 11 (14)

changes and the fact that in a few instances the final results will not be known until today. The latest results, based on comparative figures from about two-thirds of the 369 local authorities, show Labour gaining 365 seats against 77 losses, the Conservatives with 342 gains and 563 losses, and the Liberals with 188 gains and 68 losses. The figures also suggest a squeezing of the independents who have lost about 430 seats against gains of about 133 seats.

This squeezing of the role of the independents on district councils will no doubt accelerate the trend in recent years away from the less partisan role of local government.

While the fate of the independents also suggests a high degree of cross-voting—coupled with the effects of a higher poll—there are interesting exceptions. In both Newark and Welwyn, Hatfield the Conservatives gained the Parliamentary seat but lost control of the local district council.

The impact of the shift towards Labour in the district councils is difficult to predict. It will be in the areas of housing and education that there is the greatest risk of conflict with central government although there could be a fight over other issues such as the Conservative's approach to inner city problems.

Labour, through the Inner Urban Areas Act, had taken a firm initiative on inner city problems providing special grants, "bending" main line arrangements to benefit the urban districts and setting up the new machinery of partnership areas (partnerships between central and local government).

The Conservative attitude towards these initiatives remains unclear. While it is unlikely that the new Government would want to dismantle the whole inner city policy more emphasis will be placed on encouraging private enterprise solutions.

On housing in particular the Conservatives are pledged to give every council tenant the

right to buy his or her home—traditional non-party approach of the association.

If Labour do gain control it will be in the areas of housing and education that there is the greatest risk of conflict with central government although there could be a fight over other issues such as the Conservative's approach to inner city problems.

Again the Conservative Government is likely to meet determined opposition in these areas to council house sales—and to any shift of funds away from the urban areas back towards the shire counties. The plans of Labour to hand back some powers taken from the larger districts and given to the counties in the 1974 reorganisation will now die although the Conservatives are in favour of a review in certain areas.

In particular, Mr. Michael Heseltine, Environment Secretary, has said it may be necessary to re-consider local authority responsibilities for planning, highways and trans-

port. This might involve handing powers back in these areas to the district councils. Such changes—although not meeting the full aspirations of the larger district councils—would be strengthened by a stronger Labour influence in the Association of District Councils during discussions.

Wider context

In a wider context the Conservative Government is faced with the problem of coming to grips with the whole question of local authority expenditure. Manpower in local government has begun to edge up again following the cuts of 1974-75 and government currently provides £8.6bn out of the total £14.1bn local authorities are expected to spend this year. Any attempts to reduce manpower or the level of public expenditure will require the co-operation of all sections of local government and it is perhaps in this field that a Labour-controlled Association of Metropolitan Authorities—should this transpire—would prove most difficult for the new Government.

An additional problem will be that Labour tailored government rate support grant to the local authorities to give preference to the urban and metropolitan areas. This is a course the Conservatives are expected to reverse.

For these reasons it is unlikely that the Conservatives will be in any hurry to relinquish control of the Association of Metropolitan Authorities. They are expected to use the period up until July—when the Association's internal committee membership is reorganised—to try and seek local agreements with the Liberals in the key metropolitan areas which have no overall majorities.

Control of the association is therefore in the balance. If Labour does succeed in winning control the job facing Mr. Tom King, Mrs. Thatcher's recently appointed Local Government Minister, will be made that much more difficult.

Today's Events

GENERAL
UK: New Parliament assemblies to elect a Speaker and swear in members.

Engineering workers' pay talks TUC economic committee meets.

Society of Civil and Public Servants conference, Conference Centre, Brighton.

Ministers from 10 OAPEC nations meeting in Kuwait, contemplate proposals for dialogue between EEC and oil producing states.

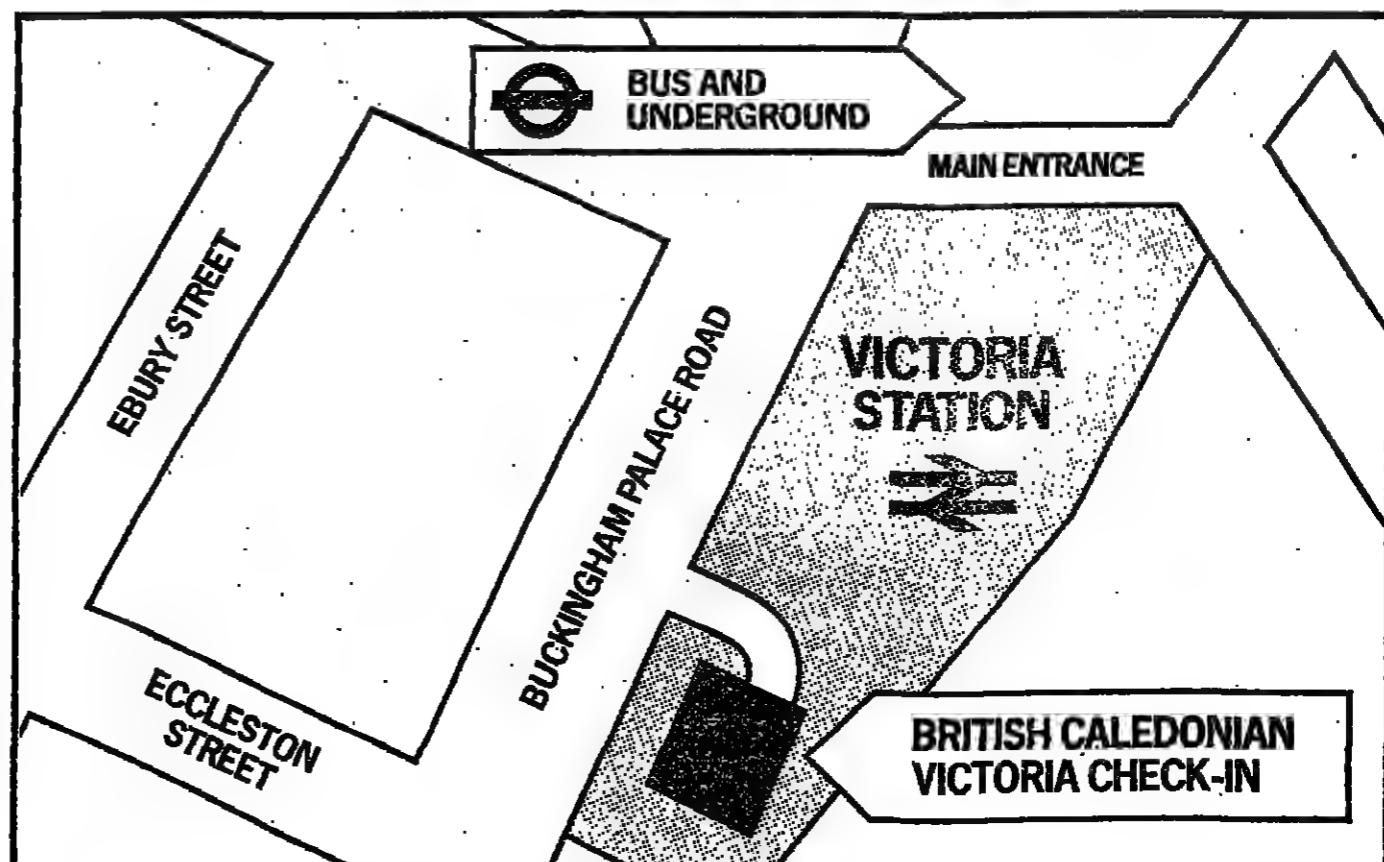
OFFICIAL STATISTICS London clearing banks

monthly statement for mid-April. UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits for mid-April.

COMPANY RESULTS Final dividends: Barrow Hepburn, Bursl Pulp and Paper, Deritend Stamping Company, External Investment Trust, Feeders Agricultural Industries, Matthew Hall and Co. P. C. Henderson Group, Laing Promerit, LK Industrial Investments.

Street, Bradford, 12. R. Cartwright, Birmingham Chamber of Commerce, Birmingham, 12. Downsbrough, Merchants Hall, 7 West George Street, Glasgow, 12. English and Scottish Investors, 2 St. Mary Axe, EC, 23. Gibbs and Dandy, Chamber of Commerce, George Street West, Luton, 11. Gough Bros, 39-45 Tottenham Court Road, W. 12. A. A. Jones and Shrimps, Narborough Road South, Leicester, 2. 1. Law Land, Howard Hotel, Temple Place, 12. 15. Schroders, 120 Cheapside, EC, 12. 15.

Why lug your luggage to Gatwick when you can check-in at Victoria?



Fly British Caledonian and you can check yourself and your luggage in at Victoria Station. The Victoria Check-in is in our Air Terminal just above Platform 16.

Arrive about 2 hours before your flight leaves London-Gatwick and you've got time for a relaxed cup of tea.

We'll call you when it's time to catch the train, there's one every 15 minutes. And at Gatwick, with your boarding pass already in your pocket, you just step onto the plane.

Whether your business takes you to Europe, Africa, South America or the USA, our business is to get you there unruffled, calm and care free.

We rest our case.
And so do you.

British Caledonian Victoria Check-in

We never forget you have a choice.

Letters to the Editor

Managers' pay

on the Director General

of the Institute of Management

Mr. Jason Crisp's article on

managers' pay (May 2) makes a

useful contribution to the

debate on whether British execu-

tives fare better or worse than

their overseas counterparts. It

however, as Mr. Crisp rightly

notes, an area in which any

comparison must be "very

indeed." Certainly, any

comparison with the position in

inland European countries

does not take account also

such things as differences in

cost of living, the exchange rate,

differences in job content, is

thoroughly questionable.

It is also, I suggest, somewhat

foolish to concentrate atten-

tion on this kind when the real issue

is the extent to which a reduc-

tion in income tax is, in the

present circumstances, the

best way of providing greater

revenue to those people on

whom we all depend for the

recreation of our national wealth.

The fact is that in percentage

terms last year's tax reduction

did not help middle managers as

it did those below and above them.

The concentration of the

1978 Budget on the new

rate thresholds and on the

reduction in the real value of

allowances gave

most benefit to the lower

6. Higher rates taxpayers

were assisted by the rise in the

level of the higher rate

thresholds. Middle managers re-

ceived the least benefit. In real

terms, the narrowing of differ-

ences for managers was particu-

larly severe as the following

figures show:

change in

al term in

1973-77 1978

average earnings -7 +9

average manager -20 +10

average executive -33 +10

average non-executive -33 +10

average manager -20 +10

average executive -33 +10

average non-executive -33 +10

average manager -20 +10

average executive

Companies and Markets

Marks and Spencer tops £161m—pays extra 23%

HIGHLIGHTS

WITH PROGRESS being maintained in the second six months, Marks and Spencer, the St. Michael store chain, has pushed up profits by 37 per cent to a record £161.55m for the year ended March 31, 1978. The dividend total is going up by 23 per cent, but the directors say that this had had to be restricted in accordance with current guidelines as the Treasury refused to sanction an increase in line with profits.

Total sales showed an increase of 17.5 per cent to £1.47bn. Within this figure UK store sales rose by 19.9 per cent to £1.35bn, those for European stores went up by 20.3 per cent to £23.58m and those in Canada by 24.4 per cent (all figures in £m). Total export sales, the UK decreased by 27.4 per cent to £23.45m. Total exports from the UK were down by 17.3 per cent to £44m.

An analysis of the profit before tax and an allocation of £2.69m (£19.2m) in respect of the employees' profit sharing scheme shows an increase from £12.52m to £18.76m in the UK, a turnaround from a loss of £1.63m to a profit of £1.13m in Europe and a reduction from £10.05m to £10.83m in the Canadian deficit.

The group attributable profit comes out 33.8 per cent higher at £53.81m and earnings per 25p share are shown to be up from 4.6p to 6.85p.

The proposed final dividend is 1.455p, effectively raising the total from 2.12p to 2.61p. The directors state that the final dividend is the maximum payable under current legislation in accordance with guidelines relating to dividend cover. It was the Board's intention to increase the dividend for the year broadly in line with profits.

The Treasury had, however, refused to sanction this by requiring the group to dividends cover calculations to be based on the year 1973-74, even though the accounts for that year included certain extraordinary tax adjustments, add the directors.

Referring to the European result the directors point out that exceptional expenses of £m

have been written off in arriving at the profit figure. Store pre-opening expenses in France amounted to £227,000 and costs connected with the reduction of selling space at Lyon totalled £57,000.

For Canada, the loss was arrived at after charging a total of £1.59m in respect of store closure costs in the Marks and Spencer division and the costs of disposal of fixtures and warehouse equipment.

The directors state that because of the recent strength of sterling the Canadian exchange rates in particular were materially different from those used last year and this has distorted the sales comparisons. Expressed in Canadian dollars sales in Canada rose by 11 per cent.

The group pre-tax profit was £7.94m, after interest of £10.43m (£7.94m), depreciation of £1.13m (£11.92m) and included interest receivable of £10.87m (£4.64m).

See Lex

WEBSTERS CHANGE

Websters Publications is proposing to change its name to the Websters Group because the Board feels the present name is no longer representative of the range and activities of the group.

Hawkins & Tipson slumps

PRE-TAX profits of Hawkins and Tipson, ropes and wire maker, slumped from £522,000 to £127,000 for the half year ended February 28, 1979. On turnover little changed at £28.72m against £28.68m.

Profit for the previous year was down from a peak of £1.23m to £1m.

The directors state that a contract with Iran, worth over £m, has been suspended, and as a result it is estimated the wire division has incurred an irrecoverable expense of some £50,000.

The directors are reviewing the short-term position in order to make immediate economies.

And they are bringing forward consolidations and savings which they have already started.

On deferred capital from last year's one-for-eight rights issue, and after tax of £32,000 (£18.000) earnings are shown as 1.35p (4.88p) per 25p share. The interim dividend is in net (same) and it is intended to maintain the final payment—last year's was 3.48p.

See Lex

RECORD turnover and pre-tax profit figures in 1978 were reported by Richard Costain, now a wholly-owned subsidiary of Costain Group. The taxable surplus expanded 20 per cent from £36.21m to £46.94m on turnover 18 per cent ahead at £509m, against £432m.

Exchange rate changes reduced taxable profits by about £m. See Lex

At midyear, when the surplus was up from £11.52m to £16.22m, the Board of the international contractor expected record full-year results.

The directors anticipate that

1979 will be as good as the year under review. Orders on hand at end-March were some £525m, of which around £310m related to international operations.

Reduced investment in

former Nigerian subsidiaries

and the amortisation of premium

on acquisition.

It is proposed to introduce an

employee share scheme. A

£300,000 provision required for the proposed scheme in the 1978 accounts

has been made in the 1978 accounts.

See Lex

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See Lex

RECORD turnover and pre-tax

What does Hanson Trust do for a living?

You may have read recently of Hanson Trust's record financial year.

Sales increased to over £600 million and profit rose to a new high of £26 million.

However, it's almost certain you'll be less aware of the businesses in Hanson Trust which generated this excellent performance.

What do we do?

Teach yourself Hanson Trust

From agricultural feedstuffs in the USA to brickmaking in the UK, from pump hire in Australia to milling in Scotland, Hanson Trust is an industrial management company committed to industries basic to human needs — food, shelter and clothing.

It is founded on the simple and effective philosophy that while people may *want* the luxuries of life, they will always *need* the basics.

It's because our business is in these basics you may not have heard of many of our companies, although you will probably have heard about their profitability.



Indeed it's on this solid, dependable foundation that Hanson Trust has built its history of success.

Here and there

The USA has been extremely fertile ground for Hanson Trust. Our investment in America has been among the major success stories of British business in recent years.

Today there are over 20,000 people employed in the USA by Hanson Trust in businesses with total sales of more than a billion dollars a

year. In fact, in April 1979

'Forbes' ranked Hanson Trust's US business as the 28th largest foreign investment in the USA.

The Record Book

You should know more of the how, why and what of this record of achievement. The report and accounts of Hanson Trust gives you not only a

financial and statistical analysis, it also tells you much more about our business worldwide.

It's available from Hanson Trust Ltd., FREEPOST, London SW3 1BR. Or phone us on 01-589 7070 and we'll send it to you.



Hanson Trust
The industrial management company where people are as valued as assets.

Lesney profits almost halved—U.S. shortfall

As a result of serious shortfall in North America, the Pacific and to a lesser extent, Europe, pre-tax profits of Lesney Products, the 'Matchbox' toy group, were almost halved from a restated £3.5m to £1.1m for the year ended January 28, 1979.

The directors say the dominant American market was particularly disappointing as a result of the relative weakness of the U.S. and Canadian currencies, and a diversion of managerial effort to integrate the newly acquired AMT Corporation. A strengthening of management has been required.

The Pacific area suffered because of a keenly competitive Japanese market, while Europe incurred a number of negative influences particularly towards the year end.

On outlook, they state that the current year must accommodate a hardening pound as well as rapid price inflation of some raw materials. Setting prices have thus had to be increased significantly.

The rapid physical expansion last year must now be translated into increased profit and some moderation of gearing, they said.

Group sales for the year rose by 42 per cent from £63.3m to £89m, reflecting toy sales up by a quarter, with the balance resulting from the acquisition of Metal Castings (Worcester) and comprised of increased sales to industry.

After a tax credit of £0.3m (£3.5m charge), net profits fell from £6m to £5.4m. There were extraordinary debts last time of £0.8m.

Stated earnings per 5p share were lower at 16.3p (18p), but subject to Treasury consent the net dividend total is lifted from 2.904p to 3.2428p, with a 2.0638p final.

Depreciation charged for the year was £5.6m compared with £4.4m last time.

	1978-79	1977-78
Turnover	£200,000	£100,000
Operating profit	£5,000	£4,400
Interest paid	£1,800	£1,500
Tax credit	£300	£13,500
Net profit	£4,500	£6,900
Extracted debits	£900	£800
Dividends	£500	£4,400
Retained	£4,500	£2,500
Less dividends charged from 1st charge	£2,500	£2,500

nearly 50 per cent lower. On top of the 260 per cent jump in interest charges, the company estimates that around £5m of profits did not materialise because of adverse currency movements. Like DCM it was North America that soured the results. In Lesney's case, margins suffered from the unfavourable sterling rate, the problems of integrating AMT and much higher transportation costs incurred by having to airfreight in components for the Powertrac slot car racing system. Elsewhere, margins were only slightly better in spite of stiff competition and rising raw material prices. This factor, along with the prospect of a steady improvement in the value of sterling, must cast a shadow over the current year, although the company has introduced a price rise of about a fifth in order to help offset the problem. The shares dropped 12p to £4.2m where the p/e on a low tax charge is 3.6 and the yield is 7.8 per cent.

Record for Prince of Wales Hotels

As forecast Prince of Wales Hotels turned in record results for 1978. Taxable profits advanced from £378,256 to £504,381 on turnover ahead from £3.5m to £4.2m.

Stated earnings per 25p share are up from 7.34p to 10.06p. The dividend is 0.845p to lift the total from an equivalent 0.8375p net to 1.145p.

Interest charges were virtually unchanged at £96,155 (£95,748). The tax charge is up from £79,000 to £97,102 and last time there was an extraordinary item of £156,774, leaving a surplus of roughly 10.25m from AMT (the new acquisitions) profits are £407,256, against £140,482.

DESPITE A £1.3m increase in UK losses, pre-tax profits of Mothercare expanded to a record £15.76m in the year to March 30, 1979. In the previous 53-weeks period, the taxable surplus stood at £13.88m. Sales, excluding VAT, rose from £108.06m to £130.85m.

At midway, profits were higher at £7.02m compared with £6.42m.

After tax for the year of £8.16m (£5.81m), net profits came through lower at 27.6m against £28.07m. Earnings per 10p share are shown down from 12.52p to 11.8p. The net final dividend of £1.5629p lifts the total payment from £2,35048p to £3,0223p.

Pre-tax profits includes investment income less interest of £419,000 (£297,000).

A breakdown of sales, excluding VAT and profits (£m, 000s) shows: UK £105,723 (£88,692) and £15,760 (£12,093); Europe £15,296 (£10,714) and £1,622 (£1,088); and U.S. £9,689 (£8,557) and £1,583 loss (£81 loss). Figures for UK are for 52 weeks (53), Europe 53 (52), and U.S. 53 weeks (60).

Exports rose from £10.96m to £12.11m, of which £8.45m (£7.02m) was despatched to group overseas companies.

The directors explain that SSAP has been adopted and comparisons adjusted by £1.82m in line with this policy. The amount written back to reserves totalled £7.29m in respect of prior years.

At the year-end, there were 177 (171) stores trading in the UK, 18 (17) in Europe, and 154 (158) in the U.S.

During the year, new stores were opened in Aldershot, Clyde, Hammermill, Kettering, Oxford Circus, Tunbridge Wells, and Rotterdam. In the U.S. 21 new Mothercare stores opened and

five Mother-to-be shops were closed as planned.

Comment

Mothercare's pre-tax profits are 14 per cent higher. The vast bulk of the earnings still come from the UK and here Mothercare turned in another impressive performance with profits some 20 per cent up on the back of an 11 per cent growth in sales volume. European profits, helped by favourable exchange rate movements, also motored ahead strongly. However, the U.S. operation is running up heavy losses and Mothercare does not expect to be making money there until 1981-82. The July 1978 acquisition of the Mother To Be stores (110 in all) has not lived up to expectations and the situation has been made worse by expensive buying mistakes. The performance of Mothercare's own U.S. stores has also been reasonably patchy and the group is reviewing its new franchise programme. In addition, the U.S. mail order business has been dismal and Mothercare's ambitious plans for national advertising have been abandoned. The group is not hiding its U.S. problems and given its strong management they should not prove a millstone for long. At 176p the share sell at 15 times fully taxed earnings.

Booth Intl. declines to £0.64m

DESPITE A slight second half increase from £417,000 to £437,000, Booth (International) Holdings, hide and skin merchant and tanner, finished 1978 with taxable profits down from £1.05m to £638,000. A peak of £1.16m was achieved in 1976.

Turnover for the period was unchanged at £32.4m.

The directors state that January and February of the current year were adversely affected by national transport problems but March and April have shown improvement.

They add, however, that the company has yet to feel the full effects of the further increase in raw stock prices, making it harder than ever to forecast results for 1979.

Pre-tax figure for 1978 included a £103,000 turnaround in associates contribution to £39,000 profits, and an £82,000 provision no longer required on investment in, and amounts due from, associates.

Tax for the period is down from £47,000 to £22,000 giving earnings of 10.51p per 25p share against a previous 15.14p.

The dividend is stepped up to 4.6p (4.322p) net with a 3.125p final payment.

Comment

Booth International has struggled back in the second half, reducing its interim profits dive from 68 per cent to a less staggering 39 per cent for the full year. But margins are still tightly squeezed as we have halved to 12.9 per cent, with the group labouring under cheap imports and raw stock prices which almost doubled last year. Booth warns that the full effect of higher prices have not been felt yet. Presumably this will make its impact in 1979 which together with the transport strike in January and February looks like making the current year another difficult one. Overall a stronger pound would bring some relief in the way of lower raw material costs but it may also place its overseas operations at a disadvantage. Prospects lie with a recovery in the tannery industry which will depend on several factors, one of which is the extent East European countries will continue to buy hides. The shares closed at 64p on a stated p/e of 5.8 and yield of 11.5 per cent.

Reckitt & Colman expands pharmaceutical division

LAST YEAR Reckitt and Colman saw rapid growth in the pharmaceutical division and the group plans a continued expansion of resources in this area. This will be done through investment in research and development facilities together with an enlargement of production capacity.

During 1978 the group activated an international network of representation which will permit the expansion of its developing prescription products.

Two new products—Tengesic and Fienac—have been launched and letters of intent have been signed to permit the marketing of these in Germany and in Latin America. A similar arrangement is also proceeding in Japan.

During 1978 group profit, before tax, improved from £57.8m to £61.3m. With the exception of North America and of exports from the UK businesses around the world turned in very good sales and profit figures in local currency terms.

Combined with the group's existing prescription pharmaceutical marketing resources around the world and the joint company which is already operating in the U.S. the directors feel

that these additional arrangements will provide coverage of the major world markets for pharmaceutical products.

The pharmaceutical division has continued to expand its new production facilities at Hull with the opening of areas for the preparation of dry pharmaceutical products.

The initial stage had concentrated on the facilities for the production of liquid preparations and this has now been extended to cope with demand for existing and new products.

In 1978 group profit, before tax, improved from £57.8m to £61.3m. With the exception of North America and of exports from the UK businesses around the world turned in very good sales and profit figures in local currency terms.

A current cost statement shows a profit of £47m (£43m) after additional depreciation of £8m (£7m) cost of sales adjust-

ment £9m (£8m), less gearing £5m (£5m).

It is proposed to subdivide the existing 50p shares into shares of 25p each.

Meeting, Connaught Rooms, WC, May 31 at 11 am.

Cedar Inv.

After management expenses and interest, pre-tax revenue of Cedar Investment Trust came out higher at £704,824 for the half year ended March 31, 1979 against a previous £594,850. Revenue for the whole of the 1977-78 year was a record £1,433.

Tax for the period took £230,214 (£205,907) leaving a net balance of £465,550 (£388,943).

Total net assets were £35.47m (£33.39m at September 30 1978) giving the value per share of 101.3p (85p) allowing for full conversion.

BANK OF SCOTLAND Annual General Meeting

The 233rd Annual General Meeting of the Proprietors of the BANK OF SCOTLAND was held yesterday in the Head Office of the Bank in Edinburgh. The Right Hon. Lord Clydesmuir, Governor of the Bank, presided.

The Governor referred to the statement, which was issued to the Proprietors along with the Report and Accounts, and added:

"Although the outcome of the General Election is the topic foremost in people's minds, I would prefer before saying anything about that to follow up the comment in my Statement that mounting expenses had gone a long way towards offsetting the revenue benefit of more favourable interest rates and higher sterling resources. The bulk of that increase is attributable to salary and related pension costs, which have been pushed up by inflation.

Banking is a labour-intensive industry and it is, therefore, particularly exposed to the effects of inflation while at the same time none too well placed in today's highly competitive conditions to charge realistically for all the services which it renders.

In recruiting staff in the Bank of Scotland Group we have to enlist people capable of acquiring essential skills. We cannot compete unless we attract entrants of the right quality and that nowadays means offering considerably higher starting salaries.

That our Group profits were sufficiently enhanced to accommodate the increase in costs last year was in no small measure the result of the rise of 2.9% in Average Base Rate referred to in my Statement. The banking industry is one whose profitability is inextricably linked to the vagaries of interest rates: we deal in a commodity whose price we cannot determine. While

we are not in a position to say what a dramatic change in the levels of interest rates to which we are exposed is at all likely, this is undoubtedly a problem here for our industry. That problem, you may be sure, is one to which the Board of Management are fully alive and the containment of operating costs is a subject which engages a great deal of our time and thought.

I turn now from that domestic theme to one of wider significance—the outcome of the General Election held last Thursday.

Traditionally, as Governor of the Bank, I refrain from taking a strong political line in any pronouncements or statements which I make. It would not be in the Bank's interest to do so because I am aware that we number amongst our customers people of all political persuasions. No doubt among our Proprietors too, all shades of opinion are represented.

It was for that reason that neither in the run-up to the Devolution Referendum nor in the run-up—or perhaps "walk-up"—would I express any opinions.

Now that the dust has settled, a brief comment from me may, I hope, be allowed. Speaking as the Governor of a private enterprise which throughout its long history has prospered from serving other private enterprises, I can only view the result with a sense of relief and with renewed hope for the future. The electorate, it seems to me, has turned back the onward march of State ownership and State interference and has expressed its preference for a mixed economy in which the private sector has a major part to play. This sector will work with any government which shows a realisation of its problems and more important, a genuine sympathy for its aims. It is my belief that the new administration under Mrs. Thatcher will do its utmost to spare industry and commerce

the frustrations, the restraints, the prohibitions and the uncertainties which have thwarted initiative and drive in the last few discouraging years so that the private sector will get back to doing what it does more efficiently than any other system—creating the wealth of the nation.

The next few years will not be easy. I have already referred to the effects of inflation upon banking but they are, of course, more widespread and are among the greatest evils of our time. A change of government will not eradicate that evil overnight and the new administration will have to display great economic and political skill in handling of this problem.

More, perhaps, than any other factor, inflation has been the cause of the ugliness

which it has for so long marred industrial relations in Britain and has cost the country massive amounts of lost production. These are losses from which the whole nation has suffered and they are irretrievable.

The poor prospects for the world economy in the next twelve months do not suggest to me that we can any longer follow that path of folly. The biggest task confronting the new government is not, however, an economic one so much as a psychological one. It must win the battle for people's minds and counteract the divisive influences of the past.

Mr. T. N. Risk proposed the adoption of the Audited Accounts for the year ended 28th February, 1979 and the Directors' report.

The motion was carried.

BOARD

Tributes were paid to the late Lord Allan of Kilmahew, who died on 5th April, 1979 and also to Mr. Charles F. Young and Mr. Hilton S. Clarke both of whom had reached the age of retirement.

The Right Hon. Lord Clydesmuir, K.T., G.B.E., T.D., L.L.B., D.S.C., The Right Hon. Lord Balfour of Burleigh, C.B.E., F.R.E. and Mr. T. N. Risk, B.L. were unanimously elected Governor and Deputy Governor for all the current year. Mr. William Birkbeck, Mr. J. G. S. Gunnell and Sir William Lithgow, who retired by rotation, were re-elected as Directors.

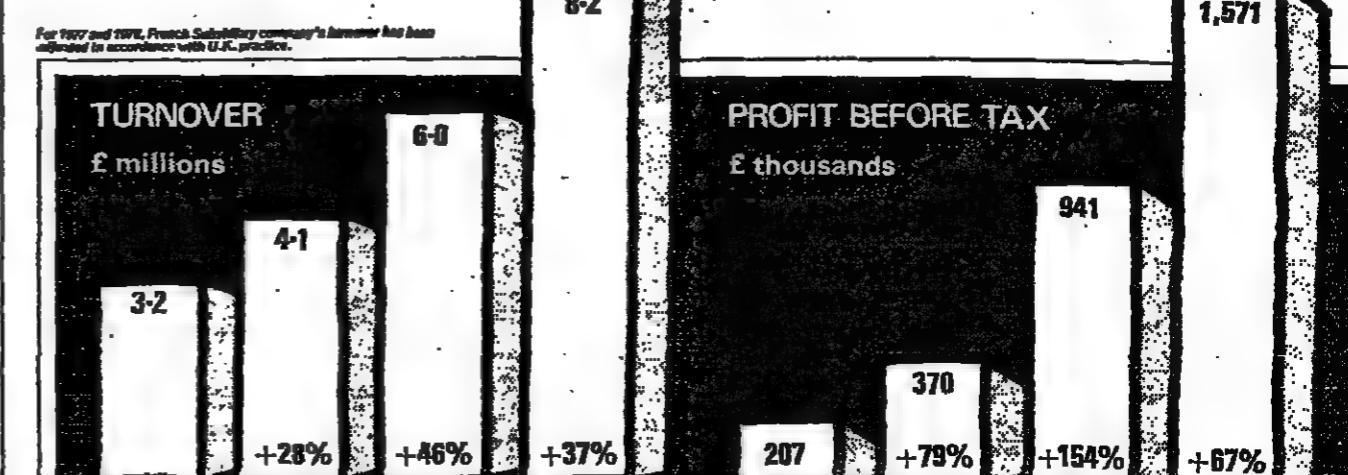
A proposal that the remuneration of members of the Board should be increased to £3,000 per annum was duly carried.

AUDITORS

Messrs. Arthur Young McClelland and Moors & Company, Chartered Accountants, Edinburgh, and Messrs. Grahams, Rintoul & Company, Chartered Accountants, Glasgow, were re-appointed as Auditors.

VOTE OF THANKS

A vote of thanks to the Governor was proposed by Mr. J. S. Macle, W.S., a Partner of Messrs. Toda, Murray & Jamieson, W.S.



MORE

J. D. 1979

AS YOU SEE, RECKITT & COLMAN IS AN EVERYDAY COMPANY.



And therein lies its strength.

For in the 120 countries where it operates, Reckitt & Colman is involved in producing and marketing fundamental products.

The kind people use every day. Day after day.

We're there at mealtimes, with Robinson's baby foods for the little ones, and Colman's casseroles, mustards and relishes for the bigger ones.

We're there at snack times, too, with Gale's honey and peanut butter.

We're there when mum is making the house more beautiful, with products like Mr Sheen, Cleen-O-Pine and Windolene.

And we're there when she's making herself more beautiful, with Supersoft shampoos and Nulon hand creams.

When any of the family is feeling under the weather, we're on hand to help with Lem-sip, Codis or Disprin.

And all the while we're protecting the family's health with Dettol and Harpic.

Reckitt & Colman plays a part in some areas that will surprise you: feeding the family's imagination, for instance, with our Reeves, Dryad and Winsor & Newton leisure products.

Or keeping offices and factories clean and hygienic. Even providing the wine and champagne at parties and weddings!

Indeed, in any one week, a typical family might well use more than twenty different Reckitt & Colman brands, many of which will be leaders in their field.

Strength in depth.

So far we've mentioned less than one twentieth of our brands.

It's this broad product base combined with our world-wide business spread that gives Reckitt & Colman its strength in depth.

It's the kind of strength that prevents a setback in one particular field from seriously upsetting the whole-something which cannot be said for companies confined to narrower product or geographical areas.

Indeed 1978 provided a classic example of this. The company endured several major setbacks.

The falling dollar rate meant lower export revenue for the same volume of output, and profits remitted from North America and some other countries translated into fewer pounds.



And in the USA, a glut of potatoes meant that we had to sell our processed potato products at very low prices.

But, despite all this, group turnover was up by about 9% to £607 million and profit before tax advanced 6% to £61 million.

New developments.

As to the future, Reckitt & Colman looks set to build from its broad base of strength.

In particular, two new developments in the pharmaceutical field are worthy of mention. These are Temgesic, a powerful new analgesic, and Flenac, an anti-arthritis compound with considerable international sales potential.

So, as you see, when it comes to strength, stability and new product development, Reckitt & Colman is no ordinary everyday company.

Reckitt & Colman

To: Reckitt & Colman, FREEPOST, London W4 2BR.
Please send me a copy of Reckitt & Colman's 1978 Annual Report
(Postage is paid. Please do not stamp your envelope.)

Name _____

Address _____

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ELBAR INDUSTRIAL LIMITED

Results and extracts from the Hon. A.L. Hood's statement issued with the Company's Report and Accounts for the year ended 31st December, 1978

	1978 £	1977 £	Restated 1977 £
TURNOVER	50,095,521	45,013,619	
OPERATING PROFIT BEFORE INTEREST	2,757,407	2,639,938	
PROFIT BEFORE TAXATION	2,280,443	2,073,149	
PROFIT AFTER TAXATION	2,088,492	2,062,020	
DIVIDENDS (Maximum permitted)	126,573	195,943	
EARNINGS PER SHARE	64.26p	84.19p	
DIVIDENDS PER SHARE	10.00p	8.00p	

Note: The Group's accounting policy in respect of deferred taxation has been changed, with effect from 1st January, 1978, in order to comply with Statement of Standard Accounting Practice No. 15. Taxation is therefore provided only to the extent that it is likely to be payable within the foreseeable future. The comparative figures for 1977 have been restated on the same basis.

In 1978 the Elbar Group made no new acquisitions so that the composition of the Group at the end of 1978 was the same as at the end of 1977. The growth in turnover from £45 million to £50 million is certainly satisfactory.

The first half of the year was active and profitable for the Car Divisions and the Industrial Engines Division was also buoyant. The Agricultural Divisions had a more difficult time.

The second half year was affected by the Ford Motor Company strike. Turnover necessarily fell severely affecting the results for the last quarter of 1978.

The Elbar Engineering Company at Elgin had a highly successful year and the Group's remaining operations, not affected by the Ford strike, performed well.

Overall, 1978 has been by no means an easy year and the achievements of even moderately increased trading profits, rising from £2.6 million to £2.7 million is of great credit to all concerned.

The Financial Statements reflect adoption by the Group of Accounting Standard No. 15. Tax liabilities are now included to the extent only that they are likely to be paid within the foreseeable future. As a result, the provision for tax in the current year is reduced to 4.6% of profits before tax compared with 52.4% if full provision for Deferred Taxation had been made. £2 million has been transferred from Deferred Taxation to Reserves, strengthening materially the equity base upon which all the Group's trading activities are founded.

1979 has had a difficult start. The problems caused by the Ford strike had not been fully overcome by the end of March and were compounded by the heavy transport drivers' strike. January, February and March brought the worst weather conditions for many years with consequential slow trading in all areas. The Group requires to borrow substantial amounts to finance its business and interest rates are high. These circumstances must necessarily affect the Group's trading for the first half year. It is not possible to make any well based forecast, but we shall all strive to achieve results for 1979 comparable with those of 1978.

The Company's Annual General Meeting will be held in the Council Chamber of the Chartered Insurance Institute, 20, Aldermanbury, London EC2V 7HX, at 12 noon on Wednesday, 30th May, 1979.



J.B. Holdings

The Johnston Group of Companies

Civil engineering, building and road surfacing contractors, manufacturers of concrete and g.r.p. pipes, roadstone, road suction cleaners and hydraulic equipment.

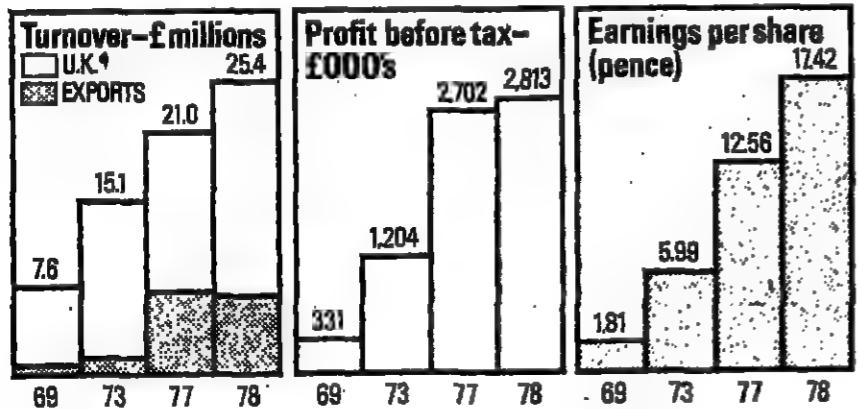
Ten years of increased profits

* Earnings per ordinary share up 38%.

* Dividend per ordinary share increased from 1.06p to 1.47p, with Treasury consent.

* Group turnover up 21% to £25,401,000.

* Group profit up £111,000 to £2,813,000.



Copies of the 1978 Report and Accounts may be obtained from the Registrar's Department, Midland Bank Limited, Courtwood House, Silver Street Head, Sheffield S1 3RD.



Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Aktiebolaget SKF will be held at SKF Kristinedal, Byfogdegatan 2, Göteborg, Sweden, at 3.30 p.m. on Monday 28 May 1979.

Agenda

Ordinary general meeting business will be transacted in accordance with Swedish law and articles of association.

Right to attend

For the right to participate in the meeting, shareholders must be recorded in the shareholders' register kept by the Securities Register Centre (VPC AB, Box 7444, S-103 91 Stockholm) by Friday 18 May, and must notify the Company, at the address below, before noon on Wednesday 23 May of their intention to attend.

Shareholders with shareholding registered in banks or other authorized depositaries must temporarily re-register holdings in their own name by Friday 18 May to be able to participate in the annual general meeting.

Payment of dividends

The board will recommend that shareholders with holdings in the VPC AB register records on 30 May be entitled to receive dividends for 1978. If this date is accepted by the annual general meeting it is expected that the Securities Register Centre will send out notice of payment to recorded shareholders and listed depositaries on 7 June.

Proxy forms are available from
A/B SKF, S-415 50 Göteborg, Sweden. Tel: (31) 3710 00

Companies and Markets

UK COMPANY NEWS

Hepworth's profits rise by 36% at halfway

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Other meetings, such as those available to us to which dividends are interim or final, and the sub-dividends are shown below are based mainly on last year's timetable.

The directors say the rate of turnover increase has continued. They add that the reason for the increase is "shop in shop" expansion and the impact of increased selling area.

The interim dividend is raised from 4.75p net per 10p share to 6.75p. Last year's total was 2.5p.

After tax of £1.55m, against £1.58m, and minorities this time of £10,000, the surplus is ahead to £2.19m.

Pre-tax profits for the whole of last year were £5.22m (£3.56m) on sales 23 per cent up at £52.6m. The directors said in their year-end report they were confident about the current year.

• comment

In common with other menswear retailers, Hepworth has benefited from the increase in retail spending and first half profits show a rise of more than a third. The results, which pleased the market, send the shares up higher—6.88p after 100p—reflecting gains just short of a tenth exclusive new openings. Part of the explanation is the policy of relocating shops away from arcades to premises with a High Street frontage giving more exposure and increased selling space needed for newly-introduced merchandise; the company is about halfway through this programme of relo-

cating about 120 shops. Meanwhile the improved cash flow has eliminated borrowings, giving increased flexibility for possible acquisitions. The second half is usually less important than the

first, but at the current rate of growth up to £1m is possible, against £5.2m. At that level the shares are a p/e of just under 10, taking a line through the interim tax charge while the prospective yield is 4.8 per cent.

TODAY

Interiors—Aldroyd and Smithers, London and Provincial Shop Centres, Victoria Telephone Company, Fins—Barrow Hepworth, British Petroleum Syndicate, Balfour Beatty, Dorman Long, Engineering Trust, Feedex Agricultural Industries, Matches, P.C. Henderson, UK Industrial Investments, UK Living Properties, London and Northern, Maffinson-Denny, J. Sainsbury, Stars Holdings, United Engineering Industries, Winchmore Investment Trust.

FUTURE DATES

Interiors—Aldroyd and Smithers, London and Provincial Shop Centres, Victoria Telephone Company, Fins—Barrow Hepworth, British Petroleum Syndicate, Balfour Beatty, Dorman Long, Engineering Trust, Feedex Agricultural Industries, Matches, P.C. Henderson, UK Industrial Investments, UK Living Properties, London and Northern, Maffinson-Denny, J. Sainsbury, Stars Holdings, United Engineering Industries, Winchmore Investment Trust.

Sales stood at £1.3m (£1.76m). After a tax credit of £1.70m (£1.98m), losses per 10p share are shown at 2.34p (5.98p). There is again no dividend, the last being 0.638p per share for 1974.

The extraordinary credit arises from £91,540 profit on sale of freehold, and £39,610 compensation, redundancy and severance pay on closure of part of business.

The directors say reorganisation continued in the second half and has now been completed. The poor trading results, as in the first half, reflect lower turnover and reduced margins, and were affected by the reorganisation and by production difficulties.

Action taken during the year has improved and stabilised the financial position, and trading has also improved.

Energy Services up 22% and expects increase for 1979

AN INCREASE of 22 per cent in taxable profits is announced by Energy Services and Electronics, electric and electronic components manufacturers, from £365,000 to a record £1.06m for 1978. Turnover rose from £7.08m to £11.00m.

During the year profit margins on overseas sales were reduced significantly by the strength of sterling against the U.S. dollar, the directors state. Increased profits are expected for the current year from all companies, provided, they say, profit margins are not eroded by a continued strengthening of sterling.

At halfway profits had risen to £506,000 (£461,000) and the directors said they expected second half profits to be at least as good as the first.

Stated earnings per 10p share are 2.25p (1.87p) and a final payment of 0.39p net makes a 0.5p (0.3p) total for the year, absorb-

ing £189,000 (£111,000).

After SSAP 15 adjusted tax of £229,000 (£209,000), minorities £4,000 (£3,000) and a £34,000 trading loss after tax last time, relating to subsidiaries which have ceased to trade or sold since the year end, attributable profit came out at £225,000 compared with £154,000.

The amount retained and transferred to reserves was £836,000 (£503,000).

• comment

A steady rise in profits from Energy Services and Electronics is what the market was looking for and it was not disappointed in yesterday's shewing with the pre-tax figure 22 per cent higher. Yet the result could have been considerably better if Neave, supplying professional studio equipment, had covered its foreign exchange exposure on some long U.S. contracts. As it

was the strength of sterling put a dent in profit margins, but 'poor' used may not be the best word.

Meantime Livingstone Hire saw a substantial increase in business and was obviously the main motivator behind the profit increase. This subsidiary expanded its range of instruments taking in micro processor development systems for computers, which proved very successful. Of the two smaller operations Euro Electronics made a good profit and Lion Oil (the only part left from the costly divestiture with the North Sea) broke even and should be in the black this year.

Overall another year of growth is in prospect for 1979, in particular Neave, where a new range of consoles should make an impact. The management team is also being strengthened which is good news, but at 30p, where the p/e is 13.8 and the yield 2.5 per cent, the shares are looking high enough.

Fairbairn's subsidiary losses over £1m—omits final

LOSSES IN a subsidiary of Fairbairn Lawson, the engineering group, are estimated to be £1.03m for 1978, on a reduced turnover. The parent is not paying a final dividend—3.08p net was expected at the halfway stage.

Sir John Lawson, the group's chairman, has revealed the extent of the losses in a letter to shareholders.

This follows an announcement in March that serious discrepancies had been discovered in the management accounts of a major subsidiary, Greenbat, emanating from a breakdown in the accounting controls.

Sir John said yesterday: "The company's auditors were asked to institute an immediate investigation and shortly afterwards

Price Waterhouse Associates, the management consultancy section of our auditors, were asked to assist us in our investigation into the discrepancies, which were in stock and work-in-progress and arose from problems with the computer systems installed at Greenbat late in 1977.

The group audited results for the year to December 31, 1978, are not yet available but it is clear that Greenbat has made a substantial pre-tax loss which is expected to be approximately £1.03m on a reduced turnover. Pre-tax profits for the other operations amount to £269,000 on sales of £9.87m, resulting in an overall group pre-tax loss for the year of approximately £162,000.

Sir John's letter continues: "In addition, following the concern expressed in our interim statement about our unquoted investment in Australia, of the present share of the appointment of a receiver, we have now written off £120,000 of that amount as an extraordinary item."

"Also, as an extraordinary item, full provision of £15,000 has been made for amounts due in respect of plant and equipment supplied, but a claim has been made in respect of this loss. Whilst your directors are confident of receiving a substantial sum in respect of this claim, it has not been deemed prudent to anticipate any recovery at this stage."

"In these circumstances, your board will not feel able to recommend a final dividend."

The audited results will not be announced until the beginning of July, and the report and accounts will be posted shortly after. "The report will detail the actions taken by the company to rectify the position," he adds.

Members are told that the action taken has had an additional restraining effect, but Mr. Boot is satisfied that in 1979 the company started with a sound base leading to modest growth and with an acceptable level of profitability.

As reported May 4, the company slumped to a £2.1m loss for 1978, against a £2.01m profit previously. No final dividend is being recommended leaving the 2.5p net interim to compare with the 1977 total of 9.183p.

The directors point out that leasing played an important part in the rise in after-tax earnings. In addition to the change in

Barlow companies merging

Four Malaysian rubber estate companies in the Barlow Group have agreed the basis for a merger into a new holding company, while, in a parallel operation, two investment companies are proposing a straight merger.

Barlow Associates, F.M.S., Cherasco, F.M.S., Muar River and Sungai Krian, all of which are currently held through direct holdings as well as through the interests of associated companies and common directors. The investment companies involved are Maledi Investments and Sekong Rubber.

The shares of the existing

estate companies will be cancelled and transferred to the

holding company on the following

basis (with all shares having a 10p nominal value): 73 new shares for every 100 in Barlow, 60 for every 100 in Cherasco, 59 for every 100 in Muar River and 146 for every 100 in Sungai Krian.

The merger will be completed

on July 10 in Singapore.

The Maledi board intends

in the absence of unforeseen

circumstances to recommend a dividend of at least 0.52137p for the year to September.

Sekong, Advani, directors and

associated companies, which

is itself almost entirely

<p

MINING NEWS

Japanese buying new coal stake

By PAUL CHEESERIGHT

THE LINKS between the Australian coal industry and Japan looked as if they would tighten further yesterday when Electric Power Development declared in Tokyo that it would take a stake in Blair Athol Coal of Queensland.

The extent of the stake was not disclosed but Nihon Keizai, the Tokyo economic daily, suggested it would be between 15 and 20 per cent.

Blair Athol is 62 per cent owned by Conzinc Riotinto of Australia and 38 per cent by Atlantic Richfield, the oil group, which bought its stake last December.

Electric Power Development said that negotiations were taking place to arrange its participation and a contract should be concluded by the end of the month. However, there was no knowledge of the negotiations at the London headquarters of Rio Tinto-Zinc, the parent company of CRA.

The announcement comes at a time when production at Blair Athol has been running down, owing to the expiry of local power station contracts. Production in 1978 was 175,000 tonnes, but slipped to 144,000 tonnes in 1977 and 129,000 tonnes last year.

The output has been low in relation to the reserves at Blair Athol and its associated deposit, Capella. There are 222m tonnes of measured and 44m tonnes of indicated reserves.

The coal at Blair Athol is of a high grade, steaming variety with a low ash and a low sulphur content. The coal at Capella is again high grade, but of the coking variety, and its development depends on what happens at Blair Athol.

The reports from Tokyo suggested that there would be a massive development at Blair Athol, raising production to 10m tonnes a year by 1985, most of which would be shipped to Japan.

Although CRA has said that it has been studying the prospects of large scale export sales, a precise figure has not been mentioned in the past. It would make sense, however, for CRA and ARI to exchange an equity stake in the project for funds to secure a market with a Japanese utility.

Heretofore, most direct Japanese equity participation in the Australian coal industry has been through the steel industry, interested in supplies of fuel for its mills.

If the Electric Power Development intentions at Blair Athol are fulfilled, they could be the start of a new trend, linking utilities to the Australian coal fields. Japanese steaming coal imports have latterly been running at about 1m tonnes a year, but they are expected to rise to over 25m tonnes by 1980, with Australia providing half the requirements.

Blair Athol is well placed to take part in such an expansion if the trade. Although it is isolated to the west of the Bowen Basin coalfields, it is nonetheless on the Queensland railway system with access to the ports of Gladstone and Hay Point. Both these ports are developing their facilities.

MINING BRIEFS

CLYDESDALE (TRANSVAAL) COAL—Quarter ended 31/3/78: tons sold 1,073 (prev. 1,313), income £1.073 (prev. £1.313), cost £1.450 (prev. £1.725) (loss £622).

GOLD AND BASE METAL MINES—Output of the concentrates for March in: 28 tonnes (columbite, 7 tonnes; tantalum, 11 tonnes; cassiterite, 1 tonne). Three months to March 31, 1978: in: 73 tonnes (columbite, 11 tonnes; tantalum, 11 tonnes; cassiterite, 1 tonne). Three months to March 31, 1977: in: 73 tonnes (columbite, 11 tonnes; tantalum, 11 tonnes; cassiterite, 1 tonne).

WALDELL LTD—Tin—April output of tin concentrates 40 tonnes (March 21 tonnes).

WAHANG CONSOLIDATED—Output of tin concentrates produced and sold for April 122 tonnes (March 122 tonnes).

THOMAS TILLING—Quarter ended 31/3/78: tons sold 6,028 (prev. 5,100) (loss £8,189 (prev. £5,636)), cost exp. £8,237 (£8,271).

AMERICAN CORPORATION—Coal division sales output for April in: 1,772 (prev. 1,700), tons: 1,772 (prev. 1,700), Antarctic: Natl Anthracite (cost) 75,375 (prev. 75,372), coke 12,563 (prev. 12,563), Swaziland: Moruludi 17,537, Botswana: Moruludi 27,424, Group total 88,026.

for April 122 tonnes (March 122 tonnes).

TRANS-NATAL COAL—Quarter ended 31/3/78: tons sold 6,028 (prev. 5,100) (loss £8,189 (prev. £5,636)), cost exp. £8,237 (£8,271).

ANGLO AMERICAN CORPORATION—Coal division sales output for April in: 1,772 (prev. 1,700), tons: 1,772 (prev. 1,700), Antarctic: Natl Anthracite (cost) 75,375 (prev. 75,372), coke 12,563 (prev. 12,563), Swaziland: Moruludi 17,537, Botswana: Moruludi 27,424, Group total 88,026.

Texasgulf has South African platinum hopes

In a South African radio broadcast Mr. Leo J. Miller, a vice-president of America's Texasgulf, said that his group was considering the establishment of a R300m (£171m) mine and mill near Brits, in the Transvaal, for the recovery of platinum group metals from chromite ore.

But Mr. Russell Loudon, managing director of Texasgulf's Pandor Mining subsidiary, said that no decision had been taken on whether to go ahead with the project, and a spokesman for Texasgulf in the U.S. confirmed that no decision had been made.

Mr. Miller said that the mine could use a unique plasma extraction method which in pilot plant testing in Britain had given encouraging results. For some time, in fact, it has been known that Texasgulf has been looking at the possibilities of the Brits mine, but a major hurdle for the U.S. group could be the financing of such a large project in South Africa.

Tin production for April

A BETTER tin concentrate output for April of 335 tonnes is reported by Berjuntai. The Dredging in the Malaysia Mining Corporation group. However, it still leaves the big Eastern produces with a 12-month total of 4,118 tonnes against 4,976 tonnes a year ago. On the other hand, Ayer Hitam has done less well in April but this mine's latest 10-month total of 1,875 tonnes goes against 1,407 tonnes in the same period of 1977/78.

Also doing well are Malaysian Tin with a 10-month total of 3,626 tonnes against 2,188 tonnes and Southern Malaysian with a total of 2,063 tonnes against 1,712 tonnes for the same period.

Tread lags with a four-month total of 673 tonnes against 823 tonnes. Kramat's dredge remained shut down pending approval to cross the Tapah road.

The group's latest production figures are compared in the following table.

Senior agrees bid for General Engineering as losses mount

Senior Engineering, the diversified engineering products group, has made an agreed bid worth just under £1m for the General Engineering Co. (Radcliffe).

At the same time General Engineering has announced net losses totalling £1.47m in the nine months ended December 1978, compared with £30,000 profit in the year to March 1978. Group sales in the period were £8.5m (£9.2m).

The deficit, which is 20.5m more than the £900m forecast at the AGM in September, is attributed to redundancy and reorganisation costs and adverse trading conditions.

Last night the company explained that the September prediction did not include the cost of factory closures and various other reorganisation costs.

The terms of the offer are 32 Senior shares for every 100 GE. On the basis of Senior's closing price yesterday this values each GE share at 8.16p.

GE says that while the company's product range and manufacturing facilities are sound, the directors and their financial advisors believe its financial

BIDS AND DEALS

Tilling spending £11.7m on U.S. energy expansion

Thomas Tilling is extending its U.S. energy interests through the purchase of Ramteck Industries Inc., the Texan oil and gas industry equipment manufacturer, in a deal worth \$24.2m (£11.7m).

ANGLO AMERICAN CORPORATION—Coal division sales output for April in: 1,772 (prev. 1,700), tons: 1,772 (prev. 1,700), Antarctic: Natl Anthracite (cost) 75,375 (prev. 75,372), coke 12,563 (prev. 12,563), Swaziland: Moruludi 17,537, Botswana: Moruludi 27,424, Group total 88,026.

According to the 1977/78 balance sheet, directors or their families own just over 10 per cent of the 36.3m Raybeck shares on issue. Interests associated with Mr. Raven controlled 1.8m shares and Mr. Davies controlled 1.6m shares. Mr. Simons and his family had a stake of 908,018 shares.

The shares were sold at 133p per share and raised slightly more than £1m for the three directors and family interests.

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Companies and Markets

NORTH AMERICAN NEWS

Seatrail opts for closure of Brooklyn Naval Yard

BY JOHN WYLES IN NEW YORK

THE WORLD shipbuilding last four years has made the year long shipbuilding tradition in Brooklyn, New York, cost 1,300 highly-skilled workers their jobs and put a \$20m charge against the balance sheet of Seatrail Lines.

Seatrail, which is principally an ocean shipping company, yesterday formally announced the end of shipbuilding at the Brooklyn Naval Yard, which was once the producer of some of the U.S. Navy's finest battleships and which 10 years ago was given a new lease of life by the tanker building boom.

But the worldwide collapse of orders for new tankers in the

INTERNATIONAL COMPANIES and FINANCE

EUROBONDS

Bond prices edge down in gloomy trading

By John Evans

EURODOLLAR BOND prices edged lower again, with further pressure exerted on recent offerings. Pessimism over U.S. interest rate and inflation trends continued to cloud the investment outlook.

The \$50m Canadian Pacific issue at par fell to 974-974, after being freed for secondary trading, despite having its coupon increased to 9% from 9% per cent last week.

Overall, most secondary issues shed 1 point or so.

The \$30m 12-year bond from Alexander Howden Finance, with an indicated coupon of 9% per cent, attracted UK institutional interest. The warrants attached to this issue are freely tradeable within Britain, and not subject to investment premiums.

Each bond will bear one warrant exercisable into 150 shares of the UK company. The exercise price is expected to be about 10 per cent above the price of the shares when final terms are fixed on May 17.

The same U.S. federal judge, Pierre Leval, has also scheduled a hearing on May 29 on Woolworth's application for an injunction restraining Brascan from launching its tender offer. In the meantime, the New York district attorney is to hold hearings on Thursday on Woolworth's claim that Brascan's bid violates state takeover legislation.

The Deutsche-Mark market in foreign issues moved broadly lower, with losses ranging up to 1 point on low-coupon issues with maturities of 10 years or longer.

British's Imperial Chemical Industries has decided to postpone its planned DM 100m Eurobond in view of prevailing market conditions, bond sources said. The issue, details of which were due yesterday, was to have been managed by Deutsche Bank.

Meanwhile, a Deutsche-Mark offering is being rumoured from the European Investment Bank on the basis of a 10-year maturity and 7% per cent coupon.

In Swiss francs, the World Bank is launching SwFr 100m of 10-year bonds, with a coupon of 4% per cent and par pricing. Lead manager is Union Bank of Switzerland.

that in the next four years 60,000 of the U.S. industry's 170,000 jobs will be wiped out by shipyard closures.

"By 1984, only eight or nine of the 16 yards will hold major contracts," added Mr. Hood.

Seatrail said that it will charge \$20m against results for its fiscal third quarter ending on March 31. The yard lost some \$13.5m in the last calendar year.

Seatrail, meanwhile, has been steadily recovering from near bankruptcy in 1975—and after net income of \$1.3m in 1978, had been expected to report more than \$16m in profits for the year ending June 30.

Doubled earnings for Boeing

BY OUR FINANCIAL STAFF

FOLLOWING a 75 per cent increase in sales volume to \$1.75bn, net income of Boeing, the world's leading commercial aircraft manufacturer, for the first quarter more than doubled from \$45.2m to 71 cents a share to \$108.3m or \$1.69 a share.

Boeing's chairman, Mr. T. A. Wilson, told yesterday's annual meeting that additional factors in the jump in earnings were continued favourable trends in commercial jet transport programmes, a rise in interest income, a substantial reduction in the company's share of the losses of Peabody Holding Company and a lower effective Federal income tax rate.

During the first three-month period, the company delivered a total of 68 aircraft, compared with 31 for the same period of last year. Current schedules call for the delivery of three 707s, 100 727s, 64 737s and 57 747s during the remainder of 1979. Total 1979 sales are projected to be around the \$800m mark, against \$546m for the whole of 1978.

Based on current schedules, Boeing said that sales for the second quarter will be above those of the first quarter, and the remaining quarters will be higher still.

Mr. Wilson said that the return on sales for the first quarter was 6.1 per cent, a little below the margin recorded in the fourth quarter of last year.

Boeing's production rates will be stepped up from the current 24 aircraft per month to 28 per month in the fourth quarter of the current year, and this level is expected to be maintained at least until mid-1981.

The agreements will have to be cleared by the U.S. antitrust agencies under the Hart-Scott-Rodino Act.

Tim Dickson adds: "Airco's announcement yesterday comes only a year after BOC will now own total control of the U.S. xylenes and gases producer following a lengthy and sometimes heated legal battle.

Last night, however, BOC

stressed that it had always been Airco's long-term ambition to dispose of its ferro-alloy assets.

In the year to the end of September 1978, these were actually making losses on sales of roughly \$220m, more than a fifth of Airco's total turnover of \$1.6b.

The U.S. group will now consist of three divisions—industrial gases and welding equipment, medical interests and carbon graphite products.

The sale of the ferro-alloy

division will please many city analysts, who feel that BOC's

borrowings—about \$500m in

the last annual report—are

too high.

The results include net

exchange gains of 4.9m in 1978 and 218.3m in the

year for proposed changes in

taxation not provided for in the

forecast were offset by net

exchange gains and an increase in oil revenue.

The cost of suspending publication of The Times, its supplements and the Sunday Times during 1978 has been charged at \$4m against trading profits.

No provision is made for costs on the suspensions during 1979, which will be charged in the accounts for the current year.

The results do not differ significantly from those forecast, said the group. The 1978 costs of the suspension at Times Newspapers together with provisions for proposed changes in

taxation not provided for in the

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exchange gains and an increase in oil revenue.

Earnings per share, which would show an increase from 27.6p to 31.7p before the extraordinary item become 34p against trading profits.

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First quarter increase at Philips

BY CHARLES BATCHELOR IN AMSTERDAM

PHILIPS, THE Dutch electrical group, has increased after-tax profit by 26 per cent to F1 171m (\$38m) in the first quarter of 1979. Sales by volume rose 8 per cent, and the company confirms that this level of growth will be maintained for the year as a whole.

The F1 35m increase in after-tax profit was largely due to rationalisation measures, Philips explains. This performance contrasts sharply with the first 1978 quarter when the result at the after-tax level was 26 per cent lower.

Changes in exchange rates meant cash sales rose by 5 per cent to F1 7.55bn (\$3.66bn).

Neckermann losses trimmed

By Guy Hawtin in Frankfurt

NECKERMAN, the Frankfurt-based mail order and travel group, reports a heavy decrease in losses for 1978. But the management is still not prepared to forecast a return to break-even by the end of the current year.

The concern, acquired by Karstadt, Europe's largest department store group in late 1977, saw last year's losses decline from 1977's DM 125m to DM 44.6m (\$23.6m). This was thanks to massive restructuring and reorganisation process which started after the Karstadt takeover and will be completed, say the management, on schedule.

In the reconstruction process, Neckermann has undergone some drastic surgery. The group's department stores—one of the major sources of losses—have either been transferred to Karstadt or closed down. The group now consists of a powerful mail order operation, a large travel company and a systems house building operation.

Driving off the stores has led to dramatic decline in group sales. In 1978 they fell by 27.7 per cent from 1977's DM 2.34bn to DM 1.69bn and are well below the DM 2.56bn reported in 1976. However, the remaining arms of the group's operations last year showed respectable, if unspectacular, growth.

The mail order business saw sales increase by 6.2 per cent from DM 1.44bn to DM 1.53bn. Neckermann und Reisen (NUR), the group's travel business, reported a hefty increase in turnover. The first quarter of this year has seen a 152 per cent increase in bookings. Neckermann Eigenheim, the house building subsidiary, reported a 7.7 per cent increase in sales.

Sales appear to be set on an upwards path once again. During the first four months of 1979, mail order sales have risen 4.7 per cent, while the house building subsidiary, according to the management, has experienced a "very pronounced" increase in demand.

Zurzolo to head IRI

Paul Sette in Rome

THE NEW managing director of Italy's largest state holding company, Istituto per le Riconversioni Industriali (IRI), is expected to be Sig. Antonio Zurzolo.

Sig. Zurzolo is 56 and is currently managing director of another major state holding company, EFIN.

His nomination to the key IRI post is understood to have been made by Sig. Pietro Sette, the new IRI chairman who took over from Sig. Giuseppe Petrilli at the beginning of this year. Before his appointment to IRI, Sig. Sette was chairman of the state hydrocarbons agency, ENI.

Sig. Zurzolo is expected to take over from Sig. Alberto Boyer, the IRI managing director who resigned last March following a fierce public row with Sig. Sette.

Regional aid for Manufrance

BY DAVID WHITE IN PARIS

THE THREAT of liquidation for Manufrance, the troubled French manufacturing and retail group, receded yesterday with the drawing up of a local government loan package aimed at backing up a new shareholding structure.

The Saint-Etienne Town Council, Communist-controlled and principal shareholder of Manufrance, is putting up FF 80m (nearly \$7m), and the Loire Department is guaranteeing a further FF 10m.

Together with state loans and advances from the prospective shareholders, the company is expected to be re-launched with working capital of about FF 80m.

The share capital of FF 1m

is expected to be divided between an assurance group, Macif, with 30 per cent, departmental development authorities, with 30 per cent, an unnamed Swiss Company, also with 30 per cent, and a publishing group, Editions Dargaud, with 10 per cent.

The new plan is believed to involve the loss of 700 to 800 jobs at the group, which employs 2,600 in various divisions at Saint-Etienne—bicycles, hunting weapons, sewing machines, mail order, retail and a sporting magazine.

Most of these job reductions, however, are to be carried out through early retirement and voluntary departures rather

Dutch engineer sees recovery

BY OUR AMSTERDAM CORRESPONDENT

HAVING reduced its operating losses from F1 34m to F1 56m last year, VMF-Stork, the troubled Dutch engineering group, is confident that 1979 will see the company continue on the road to recovery.

The company has set aside F1 12.5m (\$6.1m) for political losses in the Middle East this year and will continue with its restructuring programme although the cutbacks "will be less severe" than in 1978.

VMF has insured 90 per cent of the risk on this payment.

New products such as a joint development project with Counter Systems of the U.S. of an improved method of offset printing also offer "good prospects".

Much of last year's improvement was due to the deconsolidation of its diesel engine

division, Stork Werkspoor Diesel (SWD) following the acquisition by the State of a large stake.

This reduced the loss on non-consolidated companies to F1 13m from an adjusted F1 35m.

Although VMF and the Dutch Government have arranged sufficient credit lines to meet any likely further losses, both sides are looking for a strong foreign partner for SWD in the longer term. Both are convinced Holland cannot maintain an independent diesel engine capacity.

VMF Stork's net 1978 loss, excluding provisions, was F1 46.8m compared with F1 58.3m the year before. It proposes passing its dividend after last paying F14 per share in 1978. Production fell to F1 1.68bn (\$820m).

Saudi orders at Ericsson show sharp increase

BY VICTOR KAYFETZ IN STOCKHOLM

THE TOTAL inflow of orders at L. M. Ericsson, the Swedish telecommunications group, rose 33 per cent to SKr 11.5bn last year. In its annual report, the company said that Saudi Arabia accounted for most of the 352 per cent rise in Asian orders of SKr 2.7bn. Orders from Europe were up nearly 24 per cent to SKr 5.8bn but Latin American orders dropped by 11 per cent to SKr 2.2bn.

The backlog of orders rose 24 per cent to SKr 10.6bn at the end of 1978.

Public telephone exchanges, switchboards, telephone instruments and transmission equipment moved forward strongly but orders for military electronics, cables and components stagnated.

The group is holding to its March forecast of a 1979 pre-tax profit larger than the SKr 721m (\$164m) recorded last year on a turnover of SKr 8.02bn (\$2.05bn). In 1977, pre-tax earnings were SKr 553m on sales of SKr 7.83bn. The Board has recommended a dividend of SKr 5.50 a share, up from SKr 5 and requiring a payment of SKr 11.8m.

The annual report described

is more competitive on international markets.

The outlook for large scale engineering and assembly projects is less clear but VMF expects orders for the replacement of older oil-fired power stations in Holland with larger coal-fired plant. The final F120m sugar factory order from Iran due later this month will affect the 1979 results. VMF has insured 90 per cent of the risk on this payment.

New products such as a joint development project with Counter Systems of the U.S. of an improved method of offset printing also offer "good prospects".

Much of last year's improvement was due to the deconsolidation of its diesel engine

Profits up and rights issue at Steyr-Daimler

By Paul Lendvai in Vienna

A SHARP increase in profits and a rights issue—the second in just over 12 months—are announced by Steyr-Daimler-Puch, the Austrian motor company.

Net profits have risen from Sch 92m to Sch 11.8m (\$7.94m) for 1978, an increase of 20 per cent. The proposed rights issue will raise Sch 340m (\$5.7m) via an offer to shareholders on a one-for-six basis at Sch 170 a share.

Steyr, which is controlled by Creditanstalt Bankverein, Austria's number one bank, reports a successful business year. Sales rose by 8 per cent to Sch 11.3bn with exports increasing by 50 per cent to Sch 7.4bn. A maintained dividend of 8 per cent is to be paid.

Stressing the joint ventures with Mercedes-Benz and BMW, the company said that the Mercedes-Steyr co-operation in manufacturing cross-country vehicles will mean an output of some 10,000 Opus annum from the end of 1980. Prospects are excellent for a continued growth.

With BMW, Steyr will manufacture diesel motors. Order books at the end of 1978 was Sch 4.1bn in this sector and sales in the first four months of this year were developing satisfactorily.

The arms sector, primarily light tanks, armoured vehicles and rifles, accounts for over 20 per cent of the turnover.

Beijerinvest forecasts upturn

BY OUR STOCKHOLM CORRESPONDENT

BEIJERINVEST, the Swedish trading, investment and industrial group, expects pre-tax earnings to rise by about 40 per cent to SKr 80m (\$18m) for 1979. The Board has proposed increasing the dividend for 1978 by SKr 1 to SKr 6 per share, making the total payment SKr 28.6m.

Mr. Anders Wall, group managing director, reports that the major reconstruction measures carried out during 1978 to eliminate losses make me believe that the heavy industrial operations can be made profitable within year or so, which is entirely necessary for the survival of these companies."

The group's pre-tax result last year was SKr 51m (\$13m), against SKr 35m. Turnover rose from SKr 7.15bn in 1977 to SKr 7.42bn (\$1.69bn). A bright spot in 1978 according to the annual report, was the increase of SKr 96m or 27 per cent in the parent company's share portfolio to a year-end value of SKr 438m. Dividend income on the portfolio, dominated by investment companies and bank and insurance company shares,

totalled SKr 16.7m, down from SKr 18m in 1977.

Beijerinvest's 40 per cent share in the Pripps Brewing Company yielded dividends of SKr 4m. The group predicted that the share portfolio plus Pripps will yield SKr 25m this year. Trading operations will also yield improved earnings this year.

But earnings of Beijer International Trading, a company which ships chemicals, industrial supplies and building materials, were unsatisfactory last year. The group expects unchanged good earnings from its foodstuffs companies and recently announced plans to market its Ramelösa mineral water in the U.S.

Restructuring at Electrolux, the Swedish multinational which makes home appliances, office machines, maintenance equipment and power saws, of recently-acquired companies and coordination of their activities with those of older units will favourably affect earnings in the near future.

The group sticks to its forecast that sales for 1979 will rise

from SKr 12bn to just over SKr 13bn (\$2.95bn) and that pre-tax profit will increase by roughly 10 per cent over last year's SKr 677m (\$154m). Companies acquired during 1978 contributed SKr 1.94bn toward the 1978 sales figure.

Acquisitions last year and during early 1979 "have further balanced the group's geographic and product coverage on the world market. Making any effects of economic and currency fluctuations balance out one another and facilitating continued expansion."

In 1978, sales outside Sweden accounted for more than 75 per cent of Electrolux turnover, with France and North America listed as the largest foreign markets with 13-14 per cent of group sales apiece, followed by Britain and Norway with less than 8 per cent each.

Electrolux believes that coordination with Husqvarna, the smaller Swedish rival it bought early last year, will yield full results during 1979. Sales and profits from cleaning equipment are expected to rise. Husqvarna's profitability, while remaining low, picked up during the second half of 1978.

A new Explanatory Memorandum has been issued and is available from the Manager on request. Previous editions dated either 23rd November, 1977 or 31st May, 1978 are withdrawn and copies held should be destroyed.

14 Mulcaster Street, St. Helier, Jersey, Channel Islands. Dated 9th May, 1979.

All of these Securities have been sold. This announcement appears as a matter of record only.

\$60,000,000
(Canadian)

Hudson's Bay Company

10½% Debentures Due 1989

MORGAN STANLEY INTERNATIONAL
DOMINION SECURITIES LIMITED RICHARDSON SECURITIES OF CANADA (U.K.) LTD.
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BANK GUTZWILLER, KURZ, BUNGENER (OVERSEAS) BANQUE DE L'INDOCHINE ET DE SUEZ
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BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (BAILI) BANQUE BRUXELLES LAMBERT S.A.
BANQUE FRANCAISE DU COMMERCE EXTERIEUR BANQUE GENERALE DU LUXEMBOURG S.A.
BANQUE DE L'INDOCHINE ET DE SUEZ BANQUE INTERNATIONALE A LUXEMBOURG S.A.
BANQUE NATIONALE DE PARIS BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLEY
BANQUE DE PARIS ET DES PAYS-BAS BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG
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May 1979 TAMAICHI INTERNATIONAL (EUROPE) Limited

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Canadian Pacific Limited

(Incorporated under the laws of Canada)

U.S. \$50,000,000

9½% Collateral Trust Bonds due 1989

Issue price 100% plus accrued interest from May 15, 1979

The following have agreed to subscribe or procure subscribers for the Bonds:

Orion Bank Limited

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Poor demand checks Custom Credit

BY JAMES FORTH IN SYDNEY

CUSTOM CREDIT Corporation, the wholly-owned finance offshoot of the National Bank of Australasia, lifted its profit 12.4 per cent from A\$8.52m to A\$9.58m (US\$10.6m), in the six months to March 31. The directors said that strong competitive pressures and subdued demand for some types of finance held back the rate of growth.

Custom Credit's experience was similar to that reported last week by the industry leader, Australian Guarantee, a majority of which is owned by the Bank of New South Wales.

Revenue of Custom Credit rose almost 10 per cent, from A\$100.6m to A\$110.4m (US\$122m). The profit equalled 8.7 per cent of revenue, but profit on shareholders' funds dipped from 13.7 per cent to 13.1 per cent.

The directors said that the finance operations of the group produced A\$8.0m of the total profit, an increase of 17.3 per cent over the same period last year. Gross receivables totalled A\$1.31bn, compared with A\$1.23bn at September 30, 1978. They

said that the annual rate of increase was "somewhat lower" in the second half, but still represented growth in real terms.

During the latter part of the second half there were signs of a strengthening in demand from selected segments of both the consumer and corporate sectors. Consumer finance, mortgage loans and wholesale finance for motor dealers accounted for 70.9 per cent of gross receivables and leasing on the premium income and profit of the company and the industry.

loans and development property accounted for 7.8 per cent.

The group was well placed to maintain growth in profit and receivables, the directors said. The insurance subsidiary, National and General Insurance Company, earned A\$257,000 before extraordinary items of A\$257,000. Gross premium income dipped 9 per cent to A\$27.85m and the board said that rate cutting in the industry was not abating and was having a detrimental effect on the premium income and profit of the company and the industry.

OVENSTONE Investments, the diversified South African fishing and property group, suffered a fall in taxed profit to R2.61m (R5.1m), in the year to February 28, from R4.22m in the previous year.

A major factor was the murder at sea last October of some of the group's trawlers by Polisario Front members. This brought a temporary halt to fishing operations off the West African coast, with a resulting loss of group taxed profit estimated at R1.05m.

Pre-tax earnings for the year were R2.18m, against R4.88m. Turnover increased 3.7 per cent, to R40m (R47.3m), from R38.5m.

Ovenstone was also affected by lower pilchard quotas.

West coast trawling has resumed, but quotas are still in force off the coast of Namibia and these will probably be maintained for some years—while over-fished pilchard areas are re-established themselves—with operations in this area contributing around 10 per cent of profits.

Elsewhere, Ovenstone's building construction operations continue to reflect a flat housing market.

On lower per share earnings of 9.2 cents, against 21.24 cents in 1978, dividends totalling 3 cents, against 6 cents, have been declared, covered 3.08 times, compared with 3.54 times.

Koor growth plan sees turnover doubled by 1985

BY L. DANIEL IN TEL AVIV

KOOR—the industrial holding company of the Israel Labour Federation—which controls over 100 industrial enterprises, plans to double its turnover, from an expected R1.25bn (just over \$1bn) this year to R4.8bn in 1985.

At today's prices, exports are to increase at an even faster rate—from R1.32bn to R7.58bn, according to a long-term programme prepared by the concern's director-general, Mr. Nafatli Blumenthal.

Decisions taken now on the expansion of existing enterprises and the establishment of new ones would determine the face of Israel's industry not only in the mid-1980s, but until the end of the decade, it was

stressed.

A substantial inflow of capital was to be expected in the near future. This had to be used to acquire additional means of production rather than to finance imports of finished products, so as to build a solid base for the further growth of Israeli exports, Mr. Blumenthal added.

In a case in point was provided by Koor's chemical branch, in which R1.25bn was being invested. While output is to be doubled by 1985 from the current annual rate of R54bn, the greater part of the additional production is intended for exports, which are slated to rise from \$100m to \$125m.

Koors chemical branch covers a wide range of products, from pharmaceuticals to paints, pesticides and fire-retardants.

Substantial growth is forecast in the metal division, in which R1.2bn is to be invested, so as to raise turnover to R1.00bn from R57bn.

This expansion covers, among other things, the production of pipes, profiles and steel, and precision products.

A further R1.25bn is to be invested in the concern's various electronic enterprises with a view to raising output from R55bn to R65bn, and exports from R1.00bn to double that figure. Special emphasis will be placed on communications and on medical electronics.

Sharp rise for Oriental Holdings

BY WONG SULONG IN KUALA LUMPUR

PRE-TAX profits of Oriental Holdings, the Malaysian assembler and distributor of Honda Cars, rose sharply by 77 per cent to 19.9m ringgit (US\$5.8m) last year. The results were against the general trend in Malaysia and Singapore, where car assemblers and distributors are facing less buoyant conditions and narrowing of margins, because of the appreciation of the yen and the mark.

However, in the case of Oriental, not only did the strong demand for the Honda Accord boost profits, but the group also benefited substantially from earnings from its other activities.

The group's 22,000 acres of estates, purchased from Jardine Matheson a few years ago, are now producing, and contributed to the profits, while the group's engineering, and housing interests, as well as its finance company, made good profits.

Oriental is paying a final dividend of 8.5 per cent plus a special dividend of 7.5 per cent on the enlarged capital of 18m ringgit, compared with a 8 per cent final previously (with no special payout) on the capital of 12m ringgit.

BOUSTEAD Holdings Berhad and its 55 per cent owned plantation subsidiary, Malakoff, have reported steady growth for last year. Boustead's pre-tax profits were up 23 per cent to 18.6m ringgit (US\$8.33m),

ringgit (US. \$4.08m), while pretax profits of Malakoff rose by 12 per cent to 9.1m.

The group, which has diversified interests ranging from engineering, trading, shipping and travel, apart from its plantations, said its total sales rose by 24 per cent to 111m ringgit.

It is declaring a final dividend of 15 per cent, making 23 per cent for the year, compared with 20 per cent for 1977.

Although Malakoff's profits rose by only 12 per cent, its results were extremely encouraging considering the adverse effects of the drought during the first half of last year, when its profits fell by 34 per cent to 2.55m ringgit.

Most plantation companies in Malaysia suffered losses last year, or made only marginal gains, and the 12 per cent increase in profit by Malakoff is considered quite remarkable.

It is paying a final dividend of 12.5 per cent, making 20 per cent for the year, the same as the previous year.

Lower debt provisions boost Barclays National

BY GUY JOHANNESBURG CORRESPONDENT

BARCLAYS NATIONAL Bank, the 64 per cent-owned South African subsidiary of Barclays International, has announced a 19.2 per cent pre-tax operating profit improvement, to R31.6m (R37.4m) for the six months to March 31, 1979, from R26.5m in the same period of the previous year.

With a virtually unchanged tax bill, attributable taxed profit rose 30.8 per cent to R20.9m, from R16.0m, to compare with R38.8m for the 12 months to September 30.

With deposits 10 per cent higher, at R4.1bn, and advances 11.7 per cent ahead, at R2.7bn, Mr. Bob Aldworth, the managing director, says that the group's commercial and merchant banks both performed exceptionally well. Mr. Aldworth also feels that during the nine months to the December 31-end to the current financial year-end, both foreign exchange and other banking profits should improve with the economy. The com-

pany has revised its year-end to September.

In Johannesburg, the feeling among analysts is that Barclays will aim for solid dividend, as well as earnings, growth over the next few years, with rights issues eventually being made and not followed by Barclays International, so reducing the parent's stake to around 50 per cent by the late-eighties. But with capital surplus of R85.8m greater than South African Reserve Bank requirements, a rights issue is an unlikely prospect this year.

On first-half earnings per share of 39.2 cents, compared with 30.1 cents, a 17.0 cents interim dividend has been declared, against 13.0 cents. A further interim will be paid in September, based on earnings for the nine months to June 30, with a final for the 15 months to be paid next March. In 1978 from second-half earnings of 38.1 cents, a 17 cent final was declared.

Tyndall Gilt Fund Limited

Annual Report for financial year ending 14th February 1979

	1979	1978
Net Assets	£ 8,447,837	£ 6,230,265
Net Revenue	898,508	369,809
Gross Dividends	663,591	312,828
Retained Revenue	234,918	57,062
Dividend per share	12p	12p

Four dividends of 3p per distribution share were declared during the year with payments being made on 30th September 1978, 31st December 1978 and 31st March 1979.

Extract from the Managers Report

The year ended 14th February 1979, was not an easy one for the UK Gilt Market. This is evidenced by the fall over the period of 12.1% in the Financial Times 5-15 year Government Securities Index. Over the same period the distribution shares in the Company fell by 11.3% from 114.8p to 101.8 and the price of the accumulation shares fell by 1% from 140.4p to 139.0p.

Since the end of the financial year the price of the distribution shares has risen to 114.8p at 2nd May. The gross yield as at 2nd May was 10.45% per annum.

The Company provides for both residents and non-residents of the UK a professionally managed high yielding investment vehicle invested in British Government securities. As the Company is controlled from outside both Jersey and the UK, it receives interest on securities without deduction of tax. Because many share-holders require a consistent level of income, the Company seeks to ensure that the income distributed per share is maintained at approximately the same quarterly rate. For a copy of the Report please write to:

Tyndall Managers (Jersey) Ltd
2 New Street, St. Helier, Jersey, Channel Islands.
Tel No. 0534-37331.

Trek forecasts difficult year

By Our Johannesburg Correspondent

TREK INVESTMENTS, the South African petroleum products manufacturer and distributor which is owned as to 18 per cent by Shell, 24 per cent by General Mining, 31 per cent by Federale Volksbeleggings and 7 per cent by Industrial Selections, has forecast difficult conditions in the current year.

In 1978, on a 3.7 per cent turnover increase to R15.2m (R13.3m) from R15.1m in 1977, Trek reported an increase in pre-tax profit to R7.64m (\$8m), from R6.78m.

Swan Brewery scrip issue

BY OUR SYDNEY CORRESPONDENT

SWAN BREWERY Company, Western Australia's only brewer, plans a one-for-eight scrip issue. Profits have dipped by 8.6 per cent from A\$14.6m to A\$15.5m (US\$17.2m), in the year to March 31. The directors blamed the lower earnings on substantial costs in commissioning a new brewery at Cannington Vale, Perth.

The brewery is now producing and the old City breweries are being phased out. The directors added that they considered the result satisfactory. The lower profit was after a sharp jump in Swan's interest bill, from

A\$17,000 to A\$1.1m.

Group turnover for the year rose almost 14 per cent, to A\$196m, against A\$16.5m (US\$21.8m), in the year to March 31. The directors said that the lower earnings on capital increased by the scrip issue, the directors said.

In a separate move yesterday, Cadbury Schweppes Australia made a A\$2.4m takeover bid for the soft drink group, Passions Bottling Company (Perth), which is controlled by Swan.

The brewery bought 23.3 per cent of Passions late last year to

thwart a possible bid from another company, Beverage Holdings, which had built up a 21.7 per cent stake. The Perth Stock Exchange decided that Swan should stand in the market for 20 trading days and the brewer, which said it looked on Passions as an investment, ended up with 67.3 per cent of the capital. Cadbury Schweppes is bidding A\$2.00 a share which is well above the previous Passions market price of A\$1.15. Swan picked up the bulk of its holding at around A\$1.40 a share.

Elsewhere, Ovenstone's building construction operations continue to reflect a flat housing market.

On lower per share earnings of 9.2 cents, against 21.24 cents in 1978, dividends totalling 3 cents, against 6 cents, have been declared, covered 3.08 times, compared with 3.54 times.

“The Company has strengthened its position as one of Britain's leading life insurance companies and Britain's largest unit-linked company, with total premiums of £171 million, sums assured in force of approximately £2,700 million and total assets in April 1979 exceeding £750 million, including pension funds of over £200 million.”

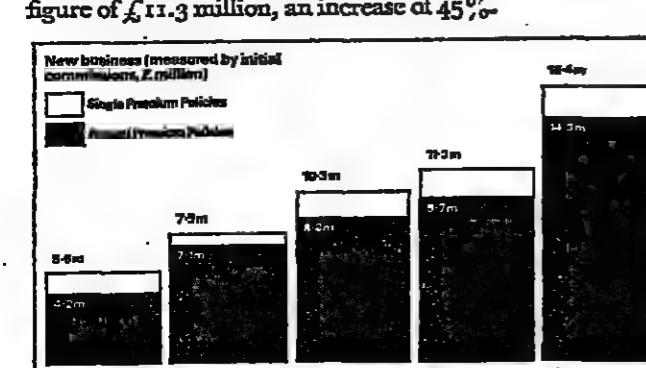
Extract from the Chairman's Statement by Mr. John Clay, April 1979.

1978-ANOTHER OUTSTANDING YEAR FOR HAMBRO LIFE

“1978 was an outstanding year for the Company. While the life insurance industry as a whole experienced a substantial increase in new business during the year, Hambro Life's growth considerably exceeded the industry average.

As the level of new business indicates, the Company's marketing team performed exceptionally well, with both the direct sales and broker departments achieving record production, and overall the increase in business was well spread across the main classes written by the Company. At the same time, the administration and support services continued to function smoothly, in spite of the substantial increase in business, and the investment management maintained its steady progress with creditable performance over the year in all the unit funds.

New Business
Total initial commissions on new business in 1978 amounted to £16.4 million, compared with the 1977 figure of £11.3 million, an increase of 45%.



New annual premiums increased by 41% to £36.1 million, compared with £25.6 million in 1977. The Company also experienced a large increase in single premiums which rose to £67.3 million, 40% up on the 1977 total of £48.2 million.

The Company's total premium income (new and renewal) received on annual premium policies crossed the £100 million mark—£104 million—compared with £77 million in 1977, and the total premium income of all kinds, including single premiums, was £171 million, compared with £125 million in 1977.

Pattern of Business

The broadening of the Company's product range resulted in an increase in new sums assured from £730 million to £1,028 million, passing the £1,000 million mark for the first time. This increase came largely from the Company's Whole Life Plan, which is proving to be highly successful, and from term assurance cover associated with individual pension schemes and retirement contracts for the self-employed.

Our wholly-owned subsidiary, Hambro Provident Assurance Limited, continued to make good progress.

Financial, Dividends and Actuarial Surplus

The actuarial valuation as at 31st December 1978 showed an increase in the Group's after-tax actuarial surplus in the long term assurance fund of £8,263,000 (1977, £6,306,000), an increase of 31%.

The directors recommend a final dividend of 17.8024p per share which, together with the interim dividend of 6p per share, brings the dividend for the year to 23.8024p per share, net of tax credit, an increase

of 17.7% over the dividend for the last year of 20.2212p per share and the Company has Treasury consent for this increase.

Share Scheme for Employees
It is the Company's experience that share participation schemes have proved to be extremely valuable in both motivating staff and retaining their services, and it is accordingly proposed to introduce a profit-sharing scheme of the type permitted under the Finance Act.

COMMODITIES AND AGRICULTURE

Copper market tumbles

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES tumbled again on the London Metal Exchange yesterday. Cash wirebars closed £27.5 lower at £315.5 a tonne, £88 down on a week ago. In the U.S. there was a general fall in prices, with the major producers cutting their domestic quotations by 3 cents to 92 cents a pound.

The sharp fall in the London copper market was attributed mainly to speculative selling, encouraged by news of settlement terms agreed to end the long-running strike at International Nickel's Sudbury complex, which produces the group's copper output.

London traders, however, pointed out that a settlement of the Inco strike had been discounted to some extent by the fall on Friday and said the new decline was caused mainly by selling from speculators coming into an overbought market.

Apart from the likely settlement of the Inco strike, the

fundamental supply-demand situation has hardly changed during the past week's heavy price fall.

But it was noted that the three months quotation had gone through a significant chart point at £240 a tonne and has now moved back to a premium over the cash price.

Another influence behind the downturn was a smaller than expected fall in LME warehouse stocks of copper, which declined by 2,850 tonnes reducing total declines to 231,425 tonnes. A decline of between 4,000 to 5,000 had generally been expected.

Tin stocks, down by 65, to 1,130 tonnes, also fell much less than expected. This brought the cash price £85 lower at £7,415 a tonne, while the three months quotation was £22.5 up to £7,137.5 in line with the upward trend in Penang over the holiday period.

Lead stocks unexpectedly fell by 1,425 to 17,050 tonnes, enabling the market to resist the downward pressure applied by copper.

However, it was announced after the market had closed by Asarco, the U.S. producer, that it would be meeting its May lead delivery commitments despite the continuing strike of the Ozark mine.

Earlier Asarco had said it was

in a "force majeure" situation as a result of the threat to its supplies of concentrates from Ozark.

Zinc values were raised by news over the holiday that a leading European producer, Vicile Montagne, had raised its official producer price from \$800 to \$845 a tonne. So far no other producers have gone to \$845.

The rise has been expected for some weeks, but there is now some doubt as to whether the timing is right in view of the faltering in the metals "boom." Demand for zinc is said to be reasonable, but stocks are still high. LME stocks, for example, fell last week by only 675 to 71,025 tonnes—still an historically

high level.

A rise of 3,050 tonnes in aluminium stocks, raising total holdings to 17,100 tonnes, was in line with expectations and therefore had little effect on prices.

Runaway dairy surpluses, the EEC's biggest agricultural problem, appear to be almost out of control. Mr. Finn Gundelach, EEC Farm Commissioner, yesterday warned Farm Ministers meeting here

that even if prices are frozen at this price review, the cost of supporting the dairy sector will rise by 17 per cent—more than £475m in the next year.

The Commissioner said while milk yields continued to rise, herds were also expanding. Last year, which saw a 5 per cent increase in milk deliveries, had been considered exceptional. But, despite the poor weather in the first three months of this year, milk deliveries were already up 2.8 per cent on last year.

Latest national estimates indicated that Community production would rise by 2.4 per cent in 1979, but the Commission regarded these as con-

cerning.

While production careered upwards, consumption continued to drop, and there was no longer a market at full support prices for the more than 100,000 tonnes of butter and 473,000 tonnes of skim milk powder currently in stock.

The butter situation is

going from bad to worse," he added. Butter intervention stocks had doubled last year, and production was expected to rise again by 4 per cent this year.

Mr. Gundelach's warning came at the end of an otherwise uneventful council meeting, largely given over to discussions on the proposed Community regimes for alcohol and potatoes.

The 1979 farm-price review

is expected to get under way again next month. Meanwhile, Mr. Peter Walker, the new UK Agriculture Minister, is expected to meet his EEC counterparts at an informal meeting next week at Pernigian, France.

In Paris, M. Raymond Barre, the French Prime Minister, said France would not easily agree to the reform of the Common Agricultural Policy sought by Britain.

Speaking in a television interview on Monday M. Barre said Britain seemed to believe France was the principal beneficiary of the CAP.

Nickel price rise followed

AMAX confirmed yesterday it was following the nickel price rise initiated by the Le Nickel group last week. It is putting up the cost of its nickel briquettes, with immediate effect, from \$2.50 to \$2.85 a lb. Corrugates are increased to \$2.82 a lb, and ASP nickel to \$2.75.

Other nickel producers have not yet made up their minds.

Earlier Asarco had said it was

however, Spokesmen for both Falconbridge and Western Mining said their companies were still studying the situation. They are believed to be waiting to see the view taken by International Nickel, the world's biggest producer, after the tentative settlement of the eight-month old strike at its Sudbury complex.

Earlier Asarco had said it was

not yet made up their minds.

KUALA LUMPUR—Malaysia may lose its dominant position in the world rubber industry if the decline of its rubber acreage is not halted, Mr. Brian Stewart of the Malaysian Rubber Growers' Association said here.

Changes in government policy were needed to end the downward trend and the industry was hoping for Government decisions to give rubber production a new impetus, he added.

Unless steps were taken, the crisis for rubber would be difficult to reverse and short-term commercial factors would favour other plantation crops such as oil palm and cocoa, he told a seminar.

Rubber accounted for 35 per cent of Malaysian exports in 1985 but fell to 22 per cent in 1977.

The world bank has predicted that total demand for elastomers will increase to 24m tonnes annually by 1990 from 13m last year.

Reuter

BRAZIL IS taking a firmer line in its coffee export prices since the new government, and particularly the new president of the Brazilian Coffee Institute (IBC), Octavio Rainho, took office in March. This new line can be seen in the Institute's surprise raising of the minimum registry price for post-June exports of green coffee at the end of April, and in its decision not to reintroduce discounts to importers.

Furthermore, Brazil has successfully defended this new policy in talks with other producing countries at the international coffee organisation meeting in London.

In the state of Minas Gerais and Espírito Santo the harvest has already begun, but the full crop for 1978 will only be gathered in June and July. The estimate for this year's crop of

20m bags, an amount which, according to Sr. Aires Funes of the São Paulo brokers, Pennfeld Commodities, will "maintain the state of things" in terms of the country's avowed coffee policy.

Meanwhile, it seems most likely that the IBC, in order to maintain price levels, will sell part of its stock, fulfilling export requirements in the period before the new crop comes on to the market. These stocks presently stand at 8-9m bags, and Sr. Funes estimated that the Institute would sell as much as 2m to exporters before July, the system proposed by the IBC.

Registered exports for April and May total some 1.2m bags, indicating the country's return to exporting. Explaining the recent export price rises by the IBC, Sr. Funes said that the contribution quota (export tax) which was increased for both green and soluble coffee, is always raised after a devaluation of the cruzeiro.

Meanwhile, the market is set to close on the last karb at 10.50. Karb: Three months £95.00-29.75; \$95.00-27.25.

Afternoon: Karb: Three months £95.00-29.75; \$95.00-27.25.

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London: Karb: Three months £95.00-29.75; \$95.0

LONDON STOCK EXCHANGE

Gilt and equities react as buying interest fades after inflationary pointers—Index down 9.5 at 549.1

Account Dealing Dates
Options
*First Declarer—Last Account
Dealing Dates Day
Apr. 23 May 3 May 4 May 15
May 8 May 17 May 18 May 30
May 21 June 1 June 12
New trading deals may take place from 9.30 am two business days earlier.

The promise of a strong start to the new trading account implicit in last Friday's late burst of strength was unfilled yesterday. Early trade was done at levels slightly higher than those ruling at Friday's close, but British Funds soon turned reactionary as institutional buyers failed to make their presence felt.

Confidence at this stage was undermined by the downturn in sterling on the foreign exchanges which underlined weekend Press comment on the immediate problems facing the new Tory Government, and potential buyers were tending to think

more about the likely contents of next week's Queen's Speech and the coming Budget.

Caution was thus the keynote throughout the morning and buyers became even more reluctant after the announcement of the wholesale price index with its showing of a sharp upturn in the rate of price inflation. British Funds turned down to 549.1 with losses of 1.7 up at 11 am, closed at the day's lowest of 549.1, which represents a fall of 9.5 from last Friday's record high; six of the index constituents yesterday went ex-dividend which accounted for over 3 points of the index fall. Many second-line issues retained good gains, mostly reflecting small speculative support.

Unsettled by the reaction in sterling and the rise in the wholesale price indices, British Funds took a distinct turn for the worse. Buyers were content to await to

day's bank lending figures and, with short-dated stocks encountering some fairly persistent selling prices began to wane and ended the day with losses ranging to 1.5. Sporadic selling also left its mark on the long where falls extended to 1 and sometimes more. The Government securities index lost 7.5 to 73.7.

ICI drifted progressively lower from the outset and settled at 405p for a net loss of 9. Among other Chemicals, Aliphatic revived with a jump of 38 to 360p, after 365p, on hopes of a renewed bid from either FMC Corporation or Merck Incorporated pending the results of the Monopolies Commission investigation.

Press forecasts of an increase in consumer spending before and after the forthcoming Budget attracted buyers to the Stores sector and an active trade ensued.

A fall of 6 and 8 respectively for Marks and Spencer and Mothercare following their preliminary statements, the former improved to a 179p peak of 184p on the night's satisfactory results but then suffered profit-taking and closed a net 2 off at 128p, while the latter fell 12 to 176p on the annual profits which were deemed to be disappointing. Gussies A rose 6 to 422p, after 425p, and British Home gained 7 to 278p. News of a major fire at one of its stores in Manchester unsettled Woolworths which softened 14 to 335p. Investment recommendations left Harris Queensway 13 to the good at 270p and Hardy and Company (Furnishers) 8 up at 100p. J. Hepworth appreciated 4 to 360p, after 350p, following the increased first-half earnings, while improvements of between 11 and 17 were recorded in Time Products, 260p, J. Beattie A, 189p, and Bambers, 287p. Hillsons Footwear featured Shoes with a rise of 9 to 181p and Stamps 11 to 175p, after 172p, on a thin market. After an initial upturn, the major clearing banks encountered sporadic profit-taking and closed at 10. Midland finished that much off at 440p, after 452p, as did NatWest at 392p, after 406p. Hopes of a fall in interest rates buoyed Hire Purchases, Provident Financial added 8 to 114p.

In irregular Insurances, London United Investments rose 11 to 185p. Good early support for Breweries fell away to leave the leaders generally unmoved on the day, but secondary issues tended to retain early gains. Dartmouth added 3 to 132p in front of tomorrow's annual results. Gough Brothers put on 3 to 87p, after 85p, on renewed hopes that Whitbread will expand its off-licences.

Firmer at the outset, leading Building issues subsequently succumbed to a spate of profit-taking and closed without much change on balance, but annual profits below market expectations left Costain 10 off at 216p and the Deferred 8 down at 184p. Interest in the Engineering sector centred chiefly on secondary issues where selective support prompted some useful gains. Press comment stimulated demand for Ash and Lacy, 7 to

the good at 200p. Yarrow advanced 12 to 405p and rises of around 7 were marked against Birmingham, Miners, 184p, and Railways Sims, 190p, and Hall Engineering 158p. In contrast, disappointment with the results left Avery, 14 cheaper at 240p, while the sharp fall in annual profits prompted a reaction of 8 to 61p in British Northrop.

General Engineering (Badcliff) fell 51 to 89, following news of the agreed bid from Senior Engineering which accompanied the results for the nine-month period.

Speculative interest was shown in Avanca, which put on 5 to 95p and in Cullens, the Ordinary and

the good at 200p. Yarrow advanced 12 to 405p and rises of around 7 were marked against Birmingham, Miners, 184p, and Railways Sims, 190p, and Hall Engineering 158p. In contrast, disappointment with the results left Avery, 14 cheaper at 240p, while the sharp fall in annual profits prompted a reaction of 8 to 61p in British Northrop.

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FINANCIAL TIMES STOCK INDICES

	May 8	May 4	May 3	May 2	May 1	April 30	Year ago
Government Secs...	75.37	75.91	76.35	76.55	76.08	76.54	71.12
Fixed Interest	77.34	77.75	77.55	77.15	77.15	77.15	72.12
Industrial	549.1	558.6	555.5	554.6	557.0	551.3	472.1
Gold Mines	163.8	157.3	155.9	154.7	154.7	150.4	144.1
Gold Mines Ex-S pmt	130.9	127.5	128.0	121.2	128.1	121.2	128.3
Ord. Div. Yield	5.29	5.21	5.27	5.34	5.41	5.28	5.68
Earnings, Yld. % (full)	14.15	15.92	14.08	14.22	14.50	14.14	17.25
P/E Ratio (net) (*)	9.08	9.22	9.12	8.96	8.96	8.06	7.77
Dealsings marked	7,042	7,255	6,682	7,116	7,037	6,494	6,010
Equity turnover 2m.	—	—	140.05	118.41	125.54	104.79	71.184
Equity bargains total	—	—	30,313	25,544	34,306	24,582	17,745

10 am 550.3 11 am 552.4 Noon 552.5 1 pm 552.4

2 pm 553.1 3 pm 551.8

Last Index 01-248 1942

*Net of 5.8% Div.

Basis 100 Govt. Secs. 18/10/78. Fixed int. 1928. Started June, 1972.

1/78. Ex S premium index 12/78. SE Activity July-Dec. 1942.

Industrial Ord.

SE Activity

HIGHS AND LOWS

S.E. ACTIVITY

	1979	Since Compil'n		May 8	May 4	
	High	Low	High	Low	High	
Govt. Secs...	75.51	64.54	127.4	49.18	129.2	112.0
Fixed Int.	77.76	66.02	150.4	50.53	150.1	130.0
Ind. Ord.	556.6	446.1	558.6	49.4	557.0	165.7
Gold Mines	182.8	129.9	442.3	43.5	118.0	115.0
Gold Mines Ex-S pmt	130.9	127.5	128.0	121.2	128.1	121.2
Ord. Div. Yield	5.29	5.21	5.27	5.34	5.41	5.28
Earnings, Yld. % (full)	14.15	15.92	14.08	14.22	14.50	14.14
P/E Ratio (net) (*)	9.08	9.22	9.12	8.96	8.96	7.77
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Equity turnover 2m.	—	—	140.05	118.41	125.54	104.79
Equity bargains total	—	—	30,313	25,544	34,306	24,582

The Gold Mines Index registered a 6.0 improvement at 163.2, its sixth consecutive rise while the ex-premium index moved 2.6 to 130.9. The bullion price was finally \$1 cheaper at 12.31 300p in response to Press mention.

Weekend Press comment prompted increased interest in certain Shipping issues with P and G Deferred improving 14 to 429p and Furness Withy adding 29p to 293p, after 295p. Early Motor and lower priced stocks showed Kloof 75 better at a 1979 high of 710p, Libanon 51 up at 56p and Elandsrand 21 to the good at a high of 319p.

Among the heavyweights West Driefontein advanced 14 to 223p, while rises of around a point were common to Randfontein, E.S., and Hartbeespoort, E.L. Merchant and lower priced stocks showed Kloof 75 better at a 1979 high of 710p, Libanon 51 up at 56p and Elandsrand 21 to the good at a high of 319p.

London Financials were featured by the continuing strength of Selection Trust, the shares, which rose sharply in the

after-hours trade last Friday, climbed 24 to a 1979 high of 596p reflecting favourable Press mention.

Gold Fields touched a high of 232p but eased to close unaltered on balance at 223p.

Rio Tinto-Zinc, however, fell 9 to 345p on a low UK equity market

The buoyant free market

platinum price helped Impala

rise 10 to 247p, ex-dividend. This moved ahead strongly following

Far Eastern buying which left Tropic 25 firmer at a 1979 high of 280p, Berjuna 15 better at 230p and Kamuning 12 up at a high of 92p.

Gold Fields touched a high of 232p but eased to close unaltered on balance at 223p.

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After the heavyweights West

Driefontein advanced 14 to 223p,

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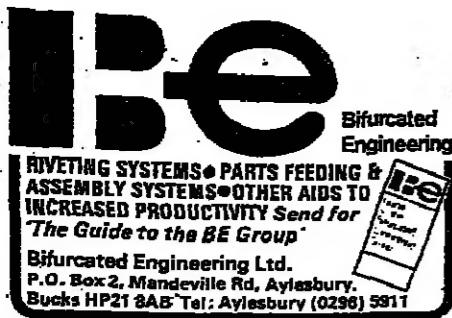
Gold Fields touched a high of 232p but eased to close unaltered on balance at 223p.

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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Fund	Notre-Dame Luxembourg.		Kemp-Gee Management, Jersey	1 Charing Cross, St. Helier, Jersey.
Fund	USS1744	1	Capital Fund	USS175
	Net asset value April 25		Income Fund	USS175
Harvey & Ross Inv. Mgt. (C.I.)			Gilt Bond	USS175 1,059
Cross St. Helier, Jersey, C.I.	0534-73741			
Ed.Fd. [13234] 1234	11.05		Keyser Ultimatum Ltd.	
Net Securities (C.I.) Limited			25 Milk Street, EC2V 8JU.	
284, St. Helier, Jersey.	0534 76077		Fonseca Ltd.	USS1754 1,468
(Jersey), [127] 131-1	7.63		Bondex	USS1755 126.00
New Dealings Date May 15			Cent. Assets	USS1755 145.40
Tel. 785-1000	1020-110	12.25		
New dealing May 14			King & Shakson Managers.	
Tel. 785-1000	107	3.50	1, Charing Cross, St. Helier, Jersey.	
New dealing date May 17.			Valley Rue, St. Peter Port, Guernsey.	
Le Selection Fund NV			1 Thomas Street, Douglas, I.O.M.	
Opportunities, c/o Irish Young & Outhwaite,			Gilt Fund (Jersey)	USS1756 10,104.00
St. Sydney			Gilt Fund (I.O.M.)	USS1756 117.20
U.S. 1	USS1756	1	Gilt Fund, Guernsey	USS1756 10,50
Net asset value November 24.				
America International S.A.			Int'l. Govt. Secs. Tel.	
Lord Royal, Luxembourg G.D.			First Sterling	USS1757 20,97.10
Income [1531248 113.06]	8.18		First Int'l.	USS1757 22.90
At May 3. Next sub. day May 9.			Kleinwort Benson Limited	
Bruxelles Lambert			20, Fenchurch St. EC3.	
la Regence B 1000 Brussels			Eurimex Ltd., Lux. F.	USS1758 1,114
USS1758 59.94-0.21	8.02		Guernsey Inc.	USS1758 74.80
Managers (Jersey) Ltd.			Do. Accru.	USS1758 95.1
63, St. Helier, Jersey 0534 74806			KB Fin. East Fd.	USS1758 103.09
Fund. [193.1] 98.1	1.30		KB Gilt Fund	USS1758 111.76
Unicorn Int. (I.C.) Ltd.			KB Fund	USS1758 124.40
Cross, St. Helier, Jersey.	0534 73741		KB Japan Fund	USS1758 133.63
Income [153175 32.37]	1.16		K.B.U.S. Gilt Fd.	USS1758 135
At Tsl. 445.9	53.5	8.60	Signet Bermuda	USS1758 155.27
USS1758 97.87-0.74	7.90	9.80	K.B. Int. Bd. Fd.	USS1758 164.40
Unicorn Int. (I.C.) Ltd.				
Unicorn Int. (I.C.) Ltd.			Lloyds Bk. (C.I.) U/T Mgrs.	
Cross, St. Helier, Jersey.	0534 73741		P.O. Box 195, St. Helier, Jersey.	
Income [153175 32.37]	1.16		Lloyds Tsl. Osean.	USS1759 57.10
At Tsl. 445.9	53.5	8.60	New dealing May 15.	
USS1758 97.87-0.74	7.90	9.80	Lloyds Trust Gilt	USS1759 10,63.00
USS1759 10,63.00			New dealing May 16.	
USS1759 10,63.00			Lloyds Bank International, Gen.	
USS1759 10,63.00			P.O. Box 438, 1211 Geneva 11 (Switz.)	
USS1759 10,63.00			Lloyds Int. Growth	USS1759 38 359.50
USS1759 10,63.00			Lloyds Int. Income	USS1759 305.50
USS1759 10,63.00			M & G Group	
USS1759 10,63.00			Three Quays, Tower Hill EC3R 6BB.	
USS1759 10,63.00			Atlantic May 8.	USS1759 31
USS1759 10,63.00			Aus. Ext. May 2.	USS1759 32
USS1759 10,63.00			Gold Ext. Acc.	USS1759 33
USS1759 10,63.00			Island	USS1759 111.00
USS1759 10,63.00			[Accum. Units]	USS1759 225.50
USS1759 10,63.00			Samuel Montagu Ldn. Agents	
USS1759 10,63.00			114, Old Broad St. EC2.	
USS1759 10,63.00			Apolo Fin. Fd. May 2.	USS1759 44 48.20
USS1759 10,63.00			Aspen April 30.	USS1759 59 14.07
USS1759 10,63.00			117 Group May 2.	USS1759 128 13.20
USS1759 10,63.00			117 Jersey April 18.	USS1759 21 5.60
USS1759 10,63.00			117 Jersey April 25.	USS1759 70 9.16
USS1759 10,63.00			Murray, Johnstone (Inv. Adviser)	
USS1759 10,63.00			163, Hope St. Glasgow, C2.	041
USS1759 10,63.00			"Hope St. Fd."	USS1759 35
USS1759 10,63.00			"Murray Fund"	USS1759 37
USS1759 10,63.00			"NAV April 30.	
USS1759 10,63.00			Nat. Westminster Jersey Fd. Mgt.	
USS1759 10,63.00			45 La Motte St., St. Helier, Jersey 041	
USS1759 10,63.00			High Income Fund	USS1759 34 54.00
USS1759 10,63.00			Equity Fund	USS1759 36 56.00
USS1759 10,63.00			Negit S.A.	
USS1759 10,63.00			10, Boulevard Royal, Luxembourg	
USS1759 10,63.00			NAV May 4.	USS1759 12.39
USS1759 10,63.00			Negit Ltd.	
USS1759 10,63.00			Bank of Bermuda Bldgs., Hamilton, Br.	
USS1759 10,63.00			NAV April 27.	USS1759 26
USS1759 10,63.00			Pacific Basin Fund	
USS1759 10,63.00			10, Boulevard Royal, Luxembourg	
USS1759 10,63.00			NAV May 7.	USS1759 12
USS1759 10,63.00			Phoenix International	
USS1759 10,63.00			P.O. Box 77, St. Peter Port, Guernsey	
USS1759 10,63.00			Inter-Dollar Fund	USS1759 40 2.59
USS1759 10,63.00			Quest Fund Mgmt. (Jersey)	
USS1759 10,63.00			P.O. Box 194, St. Helier, Jersey.	
USS1759 10,63.00			Quest Fin. Inv. Fd.	USS1759 27 101.30
USS1759 10,63.00			Quest Int'l. Secs.	USS1759 30 102.20
USS1759 10,63.00			Quest Int'l. Bd.	USS1759 35 0.99
USS1759 10,63.00			Prices at May 2. New dealing May	
USS1759 10,63.00			Richmond Life Ass. Ltd.	
USS1759 10,63.00			48, Athar Street, Douglas, I.O.M.	
USS1759 10,63.00			(x) The Silver Trust	USS1759 41 352.50
USS1759 10,63.00			Richmond Gd. Bd.	USS1759 42 1.00
USS1759 10,63.00			Do. Plaincom Bd.	USS1759 43 1.00
USS1759 10,63.00			Do. Diamond Bd.	USS1759 44 1.00
USS1759 10,63.00			Do. Em Income Bd.	USS1759 45 1.00
USS1759 10,63.00			Cambridge C.I., I.O.M.	USS1759 46 1.00
USS1759 10,63.00			*Price on April 11. New dealing May	
USS1759 10,63.00			Rothschild Asset Management	
USS1759 10,63.00			P.O. Box 58, St. Julian's, Cl. Guernsey.	
USS1759 10,63.00			O.C. Fin. Fr. April 30.	USS1759 47 66.10
USS1759 10,63.00			O.C. Int'l. Fin. Bd.	USS1759 48 148.00
USS1759 10,63.00			O.C. Ind.Fd. Co April 30.	USS1759 49 14.40
USS1759 10,63.00			O.C. Commodity	USS1759 50 129.50
USS1759 10,63.00			O.C. Div. Commodity	USS1759 51 33.10
USS1759 10,63.00			O.C. Sterling Fd.	USS1759 52 22.90
USS1759 10,63.00			*Prices on April 11. New dealing May	
USS1759 10,63.00			Rothschild Asset Mgt. (Bermuda)	
USS1759 10,63.00			P.O. Box 664, Bk. of Bermuda Bld., B.	
USS1759 10,63.00			Reserve Assets Fd. USS1759 71 9.92	
USS1759 10,63.00			Prices on May 3. New dealing May	
USS1759 10,63.00			Royal Trust (C.I.) Fd. Mgt. Ltd.	
USS1759 10,63.00			P.O. Box 194, Royal Tsl. Hse., Jersey.	
USS1759 10,63.00			R.T. Int'l. Fd.	USS1759 27 9.87
USS1759 10,63.00			R.T. Int'l. Fin. Fd.	USS1759 28 0.00
USS1759 10,63.00			Prices at May 8. New dealing May	
USS1759 10,63.00			Save & Prosper International	
USS1759 10,63.00			Dealing 19.	
USS1759 10,63.00			P.O. Box 73, St. Helier, Jersey.	
USS1759 10,63.00			U.S. Dollar-denominated Funds.	
USS1759 10,63.00			Dir. Fd. Inv. Mgt.	USS1759 2 9.50
USS1759 10,63.00			Internet Gr.	USS1759 3 9.50
USS1759 10,63.00			For Eastern 3.	USS1759 4 9.50
USS1759 10,63.00			North American 2.	USS1759 5 9.50
USS1759 10,63.00			Sept.	USS1759 6 9.50
USS1759 10,63.00			Starling Denominated	USS1759 7 9.50
USS1759 10,63.00			Channel Capital	USS1759 8 9.50
USS1759 10,63.00			Channel Islands	USS1759 9 9.50
USS1759 10,63.00			Commod.	USS1759 10 9.50
USS1759 10,63.00			St. Dependent 2.	USS1759 11 9.50
USS1759 10,63.00			St. Fld.	USS1759 12 9.50
USS1759 10,63.00			St. Fld. Fd.	USS1759 13 9.50
USS1759 10,63.00			*Prices on May 1. *May 2. *May 3. *May 4.	
USS1759 10,63.00			**May 5. ***May 6. ***May 7.	
USS1759 10,63.00			**Wendy dealings. Daily dealings.	
USS1759 10,63.00			Schlesinger International Mgmt.	
USS1759 10,63.00			41, La Motte St., St. Helier, Jersey.	
USS1759 10,63.00			S.A.I.L.	USS1759 17.00
USS1759 10,63.00			S.A.O.I.L.	USS1759 18 0.00
USS1759 10,63.00			Gilt Fd.	USS1759 19 1.00
USS1759 10,63.00			Int'l. Fd. Jersey	USS1759 20 1.00
USS1759 10,63.00			Int'l. Fd. Lombard	USS1759 21 11.70
USS1759 10,63.00			*Far East Fd.	USS1759 22 1.00
USS1759 10,63.00			*New sub. day May 9.	
USS1759 10,63.00			Schroder Life Group	
USS1759 10,63.00			Enterprise House, Portsmouth.	
USS1759 10,63.00			International Funds	
USS1759 10,63.00			Equity	USS1759 23 100.00
USS1759 10,63.00			Fixed Interest	USS1759 24 150.00
USS1759 10,63.00			Fixed Interest	USS1759 25 150.00
USS1759 10,63.00			Managed	USS1759 26 134.00
USS1759 10,63.00			J. Henry Schroder Wag. & Co.	
USS1759 10,63.00			120, Cheapside, EC2.	
USS1759 10,63.00			Chap 5 May 7.	USS1759 27 10
USS1759 10,63.00			Trafalgar March 31.	USS1759 28 11
USS1759 10,63.00			Asian Fin. April 30.	USS1759 29 19.67
USS1759 10,63.00			Darling Feb. May 4.	USS1759 30 2.19
USS1759 10,63.00			Japan Fd. May 3.	USS1759 31 7.67
USS1759 10,63.00			Sentry Assurance International L.	
USS1759 10,63.00			P.O. Box 1776, Hamilton 5, Bermuda.	
USS1759 10,63.00			Managed Fund	USS1759 32 2.67
USS1759 10,63.00			Reserve Assets Fd. USS1759 33 9.92	
USS1759 10,63.00			Prices on May 3. New dealing May	
USS1759 10,63.00			Royal Trust (Jersey) Ltd. (x)	
USS1759 10,63.00			P.O. Box 194, Royal Tsl. Hse., Jersey.	
USS1759 10,63.00			R.T. Int'l. Fd.	USS1759 34 78.00
USS1759 10,63.00			R.T. Int'l. Fin. Fd.	USS1759 35 64.00
USS1759 10,63.00			Prices on May 10. Next sub. day May	
USS1759 10,63.00			Tyndall Group	
USS1759 10,63.00			P.O. Box 1256, Hamilton 5, Bermuda.	
USS1759 10,63.00			Overseas May 2.	USS1759 36 1.22
USS1759 10,63.00			U.S. Int'l. May 2.	USS1759 37 0.00
USS1759 10,63.00			3-Way Int'l. April 19.	USS1759 38 3.00
USS1759 10,63.00			2 West St. St. Helier, Jersey.	
USS1759 10,63.00			TOPSL Fin. Mgt. 3.	USS1759 39 8.70
USS1759 10,63.00			(Accum. Shares)	USS1759 40 13.00
USS1759 10,63.00			American May.	USS1759 41 92.50
USS1759 10,63.00			Accum. May.	USS1759 42 93.00
USS1759 10,63.00			Far East May 3.	USS1759 43 92.50
USS1759 10,63.00			(Accum. Shares)	USS1759 44 92.50
USS1759 10,63.00			Jersey Fin. May 2.	USS1759 45 232.50
USS1759 10,63.00			Gilt Fund May 2.	USS1759 46 112.60
USS1759 10,63.00			(Accum. Shares)	USS1759 47 114.80
USS1759 10,63.00			Victory House, Baugies, Isle of Man.	USS1759 48 161.40
USS1759 10,63.00			Managed April 19.	USS1759 49 152.00
USS1759 10,63.00			Unlife Assurance (Overseas) Ltd.	
USS1759 10,63.00			P.O. Box 1388, Hamilton 5-31, Bermuda.	
USS1759 10,63.00			Intern'l. Mngd. Fd.	USS1759 50 9.50
USS1759 10,63.00			Union-Investment-Gesellschaft mbH	
USS1759 10,63.00			Postfach 16767, D 6000 Frankfurt 16.	
USS1759 10,63.00			Unfonds	USS1759 51 18.00
USS1759 10,63.00			Unirent	USS1759 52 26.00
USS1759 10,63.00			Univak	USS1759 53 50.15
USS1759 10,63.00			Unispecial 1.	USS1759 54 43.00
USS1759 10,63.00			Arlandfonds	USS1759 55 12.00
USS1759 10,63.00			Europafonds	USS1759 56 25.00
USS1759 10,63.00			Utd. Int'l. Mngmnt. (C.I.) Ltd.	
USS1759 10,63.00			14, Mulcaster Street, St. Helier, Jersey.	
USS1759 10,63.00			U.I.B. Fund	USS1759 57 104.24
USS1759 10,63.00			United States Tsl. Int'l. Adv. Co.	
USS1759 10,63.00			24, Rue Aldringen, Luxembourg.	
USS1759 10,63.00			U.S. Tsl. Int'l. Fund	USS1759 59 1
USS1759 10,63.00			Net assets May 2.	
USS1759 10,63.00			S.G. Warburg & Co. Ltd.	
USS1759 10,63.00			30, Gresham Street, EC2.	
USS1759 10,63.00			Conv. 80, May 4.	USS1759 60 9.75
USS1759 10,63.00			Eng. Inv. May 4.	USS1759 61 9.75
USS1759 10,63.00			Mer. St. Inv. May 4.	USS1759 62 10.71
USS1759 10,63.00			CMT Ltd. April 26.	USS1759 63 11.40
USS1759 10,63.00			Mer. Inv. April 19.	USS1759 64 11.20
USS1759 10,63.00			T.M.T. Ltd. April 12.	USS1759 65 11.34
USS1759 10,63.00			10a, Boulevarde Royal, Luxembourg.	
USS1759 10,63.00			Worldwide Growth Fund.	USS1759 66 11.34
USS1759 10,63.00			Worldwide Commodity Fund.	USS1759 67 11.34
USS1759 10,63.00			10a, St. Georges, St. George's Trust	USS1759 68 11.34
USS1759 10,63.00			Wren Commodity Fund.	USS1759 69 11.34



Bifurcated Engineering Ltd.
P.O. Box 2, Mandeville Rd, Aylesbury,
Bucks HP21 3AB Tel: Aylesbury (0296) 5811

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BONDS & RAILS—Cont.

1979 High Low	Stock	Price \$	+ or -	W. %	Y.M. %	Ref. Val.
31/32	China 41c 1998	28	—	—	—	—
31/32	Do 4c 1998	25	—	—	—	—
31/32	Do 10c 1998	25	—	—	—	—
41/42	Do 10c 1998	430	—	—	—	—
41/42	Do 15c 1998	430	—	—	—	—
41/42	Do 20c 1998	430	—	—	—	—
41/42	Do 25c 1998	430	—	—	—	—
41/42	Do 30c 1998	430	—	—	—	—
41/42	Do 35c 1998	430	—	—	—	—
41/42	Do 40c 1998	430	—	—	—	—
41/42	Do 45c 1998	430	—	—	—	—
41/42	Do 50c 1998	430	—	—	—	—
41/42	Do 55c 1998	430	—	—	—	—
41/42	Do 60c 1998	430	—	—	—	—
41/42	Do 65c 1998	430	—	—	—	—
41/42	Do 70c 1998	430	—	—	—	—
41/42	Do 75c 1998	430	—	—	—	—
41/42	Do 80c 1998	430	—	—	—	—
41/42	Do 85c 1998	430	—	—	—	—
41/42	Do 90c 1998	430	—	—	—	—
41/42	Do 95c 1998	430	—	—	—	—
41/42	Do 100c 1998	430	—	—	—	—
41/42	Do 105c 1998	430	—	—	—	—
41/42	Do 110c 1998	430	—	—	—	—
41/42	Do 115c 1998	430	—	—	—	—
41/42	Do 120c 1998	430	—	—	—	—
41/42	Do 125c 1998	430	—	—	—	—
41/42	Do 130c 1998	430	—	—	—	—
41/42	Do 135c 1998	430	—	—	—	—
41/42	Do 140c 1998	430	—	—	—	—
41/42	Do 145c 1998	430	—	—	—	—
41/42	Do 150c 1998	430	—	—	—	—
41/42	Do 155c 1998	430	—	—	—	—
41/42	Do 160c 1998	430	—	—	—	—
41/42	Do 165c 1998	430	—	—	—	—
41/42	Do 170c 1998	430	—	—	—	—
41/42	Do 175c 1998	430	—	—	—	—
41/42	Do 180c 1998	430	—	—	—	—
41/42	Do 185c 1998	430	—	—	—	—
41/42	Do 190c 1998	430	—	—	—	—
41/42	Do 195c 1998	430	—	—	—	—
41/42	Do 200c 1998	430	—	—	—	—
41/42	Do 205c 1998	430	—	—	—	—
41/42	Do 210c 1998	430	—	—	—	—
41/42	Do 215c 1998	430	—	—	—	—
41/42	Do 220c 1998	430	—	—	—	—
41/42	Do 225c 1998	430	—	—	—	—
41/42	Do 230c 1998	430	—	—	—	—
41/42	Do 235c 1998	430	—	—	—	—
41/42	Do 240c 1998	430	—	—	—	—
41/42	Do 245c 1998	430	—	—	—	—
41/42	Do 250c 1998	430	—	—	—	—
41/42	Do 255c 1998	430	—	—	—	—
41/42	Do 260c 1998	430	—	—	—	—
41/42	Do 265c 1998	430	—	—	—	—
41/42	Do 270c 1998	430	—	—	—	—
41/42	Do 275c 1998	430	—	—	—	—
41/42	Do 280c 1998	430	—	—	—	—
41/42	Do 285c 1998	430	—	—	—	—
41/42	Do 290c 1998	430	—	—	—	—
41/42	Do 295c 1998	430	—	—	—	—
41/42	Do 300c 1998	430	—	—	—	—
41/42	Do 305c 1998	430	—	—	—	—
41/42	Do 310c 1998	430	—	—	—	—
41/42	Do 315c 1998	430	—	—	—	—
41/42	Do 320c 1998	430	—	—	—	—
41/42	Do 325c 1998	430	—	—	—	—
41/42	Do 330c 1998	430	—	—	—	—
41/42	Do 335c 1998	430	—	—	—	—
41/42	Do 340c 1998	430	—	—	—	—
41/42	Do 345c 1998	430	—	—	—	—
41/42	Do 350c 1998	430	—	—	—	—
41/42	Do 355c 1998	430	—	—	—	—
41/42	Do 360c 1998	430	—	—	—	—
41/42	Do 365c 1998	430	—	—	—	—
41/42	Do 370c 1998	430	—	—	—	—
41/42	Do 375c 1998	430	—	—	—	—
41/42	Do 380c 1998	430	—	—	—	—
41/42	Do 385c 1998	430	—	—	—	—
41/42	Do 390c 1998	430	—	—	—	—
41/42	Do 395c 1998	430	—	—	—	—
41/42	Do 400c 1998	430	—	—	—	—
41/42	Do 405c 1998	430	—	—	—	—
41/42	Do 410c 1998	430	—	—	—	—
41/42	Do 415c 1998	430	—	—	—	—
41/42	Do 420c 1998	430	—	—	—	—
41/42	Do 425c 1998	430	—	—	—	—
41/42	Do 430c 1998	430	—	—	—	—
41/42	Do 435c 1998	430	—	—	—	—
41/42	Do 440c 1998	430	—	—	—	—
41/42	Do 445c 1998	430	—	—	—	—
41/42	Do 450c 1998	430	—	—	—	—
41/42	Do 455c 1998	430	—	—	—	—
41/42	Do 460c 1998	430	—	—	—	—
41/42	Do 465c 1998	430	—	—	—	—
41/42	Do 470c 1998	430	—	—	—	—
41/42	Do 475c 1998	430	—	—	—	—
41/42	Do 480c 1998	430	—	—	—	—
41/42	Do 485c 1998	430	—	—	—	—
41/42	Do 490c 1998	430	—	—	—	—
41/42	Do 495c 1998	430	—	—	—	—
41/42	Do 500c 1998	430	—	—	—	—
41/42	Do 505c 1998	430	—	—	—	—
41/42	Do 510c 1998	430	—	—	—	—
41/42	Do 515c 1998	430	—	—	—	—
41/42	Do 520c 1998	430	—	—	—	—
41/42	Do 525c 1998	430	—	—	—	—
41/42	Do 530c 1998	430	—	—	—	—
41/42	Do 535c 1998	430	—	—	—	—
41/42	Do 540c 1998	430	—	—	—	—
41/42	Do 545c 1998	430	—	—	—	—
41/42	Do 550c 1998	430	—	—	—	—
41/42	Do 555c 1998	430	—	—	—	—
41/42	Do 560c 1998	430	—	—	—	—
4						

INDUSTRIALS—Continued

1979	High	Low	Stock	Price	+ or -	No.	Net	Cw	Ytd	PE	High	Low	Stock	Price	+ or -	No.	Net	Cw	Ytd	PE
179	124	118	Hawkins So.	184	-0.2	125	4	2.1	292	129	124	125	Gen. Accident	272	-2	90	5.1	2.1	55	125
78	125	120	Hay (Norman) L.	164	-0.2	152	2.7	25.5	5.4	225	225	225	225	Est. & Agency	308	-0.46	24	2.8	27.5	75.4
126	126	121	Hawthorne & Co.	121	-0.1	131	3.3	2.9	5.4	225	225	225	225	Est. & Corp.	225	-1.05	125	1.2	2.3	24.5
134	126	121	Hawthorne & Co. Cr.	121	-0.1	138	3.6	4.1	5.1	151	151	151	151	Est. Prop. Inv.	143	-2	125	1.9	2.4	20.2
76	43	42	Hedgeman	42	-1	124	1.4	1.4	1.4	105	105	105	105	Hawthorne & Co.	147	-105	125	1.9	2.4	20.2
45	59	58	Hewitt (L.J.) So.	58	-1	128	1.4	1.4	1.4	127	106	106	106	Hawthorne & Co.	106	-3	7.0	1.4	1.4	11.5
55	59	58	Hewitt (L.J.) So.	58	-1	128	1.4	1.4	1.4	127	106	106	106	Hawthorne & Co.	106	-3	7.0	1.4	1.4	11.5
85	78	78	Hill & Son (L.J.)	54	-1	124	2.5	2.5	2.5	128	128	128	128	Hawthorne & Co.	128	-1	125	1.4	1.4	11.5
75	75	75	Hill & Son (L.J.)	54	-1	124	2.5	2.5	2.5	128	128	128	128	Hawthorne & Co.	128	-1	125	1.4	1.4	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Hollis Bros.	74	-1	124	1.4	1.4	1.4	128	128	128	128	Hawthorne & Co.	128	-1	125	1.4	1.4	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128	-10	11.05	4.2	4.2	11.5
125	125	125	Holmes (A.)	87	-2	122	2.0	2.0	2.0	128	128	128	128	Hawthorne & Co.	128					

OBJECTION TO HONGKONG AND SHANGHAI BANK BID

Siebert to explain hitch

BY STEWART FLEMING IN NEW YORK

THE RESERVATIONS of Miss Muriel Siebert, the New York State banking superintendent, are expected to emerge later this week as the main obstacle to the Hongkong and Shanghai Banking Corporation's acquisition of 51 per cent control of Marine Midland Banks, the 13th largest U.S. banking company.

It is understood that Miss Siebert is planning to meet with bank officials, the bank's attorneys and Salomon Brothers, its investment bankers, to express officially for the first time her reasons for not quickly approving the deal.

In March, the Federal Reserve Board in Washington announced that it would not block Hongkong and Shanghai's \$260m deal with Marine Midland. It

also approved National Westminster Bank's acquisition of National Bank of North America and Standard Chartered group's purchase of Union Bank of California.

Unlike the other two deals, the Hongkong bank's bid for Marine—bank with assets of more than \$12bn—needs the specific approval of the New York State banking superintendent because Marine is a state chartered bank. Under New York law, a shareholder controlling more than 10 per cent of the equity of a two-bank holding company must get Banking Department approval to vote the stock.

Miss Siebert's opposition to the deal has been widely expected. She is now likely to

explain her specific objections to the Hongkong bank. But it remains unclear whether she will formally announce a decision to refuse the bank permission to vote the equity it acquires.

Already it is clear that political pressures are building up on her to permit the deal. There are suggestions that Mr. Hugh Carey, New York State Governor, who appointed Miss Siebert, may not share her concern. Miss Siebert could also come under pressure from the Federal Reserve.

On several occasions since the early 1960s, however, New York State banking authorities and the Fed have differed on policy decision. In the early 1960s, the New York authorities

approved proposals to permit Morgan Guaranty Trust to expand into upstate New York, only for the Fed to withhold permission.

Since about 1974, the State Banking Department has adopted a policy of allowing the major New York banks to move outside the city in New York State only by opening new branches or acquiring small banks.

There have been signs that some New York banks are uneasy about the prospect of a major international bank the size of Hongkong and Shanghai being allowed to acquire a major upstate banking network such as Marine Midland's when they are not permitted to do the same.

Lloyds Bank urged to alter vote structure

By Christine Moir

THE NATIONAL Association of Pension Funds has formed a committee to try to persuade Lloyds Bank to change its voting structure, which the group regards as unfair to larger shareholders.

Lloyds' memoranda of association provide for one vote a share up to a maximum of 500 shares. As a result the institutions, which own about 60 per cent of Lloyds' shares, control only a quarter of the votes.

Mr. Tom Hayes, deputy chairman of the Investment Protection Committee of the association, will be chairman of the new committee.

Lloyds' voting structure became an issue at the annual meeting in March, when the Post Office pension fund tried to oppose the board's plans to increase the company's authorised capital by a quarter.

Mr. Ralph Quarino, chief executive of the Post Office fund, proposed that the increase be reduced to 15 per cent. When his amendment was put to the vote it was discovered that his fund had a maximum 500 votes.

Lloyds pointed out yesterday that the voting structure had remained unchanged since at least 1950, the last time the memoranda were amended. It may even date back to the 1920s, when it was introduced as a defence against any takeover bid.

The institutions have been reluctant for some time to allow companies greatly to increase their authorised capital because of the freedom that gives a Board to undertake rights issues or takeovers on a share basis without shareholders' approval.

In Lloyds' case they have found themselves unable to use their controlling equity holdings to curtail boardroom moves even where these require shareholder consultation.

The same difficulty confronts them in attempting to change the voting structure, which would require overwhelming shareholder acceptance. All the small shareholders would have to be enlisted in an exercise clearly designed to assist only the large ones.

Moderates gain control in engineers' union vote

BY ALAN PIKE, LABOUR CORRESPONDENT

RIGHT-WING GAINS in Amalgamated Union of Engineering Workers elections yesterday left the executive of the country's second largest union completely in moderate control for the first time in many years.

Among other advances, the Right wing took the London and South-east executive vacancy caused by the retirement next month of Mr. Reg Birch, a Maoist.

The seat has been in Left-wing hands for about 40 years. It now goes to Mr. Jack Whyman, divisional organiser based at Luton, who beat Mr. Len Choulterton, Left wing London regional officer, by 18,492 votes to 13,775.

The West Midlands and Manchester executive vacancy caused by Mr. Terry Duffy's election to the union's presidency last year was taken by Mr. Ken Cure, East Birmingham district secretary, who beat Mr. John Tocher, Left wing divi-

sional organiser in Manchester, by 24,633 votes to 21,362.

Mr. Duffy found it "very pleasing" that the union had an all-moderate executive. He attributed part of the moderates' success to the union's use of postal ballots to elect members.

It had, he said, resulted in polls of up to about 38 per cent in the current round of elections, compared with as low as 2 per cent under the old system when elections took place at branch meetings.

The new Government is pledged to providing financial assistance to unions that wish to use postal ballots. Since the AUEW, the Left has suffered severe reverses in elections for the executive and full-time officials.

It is significant that in contrast to the results declared yesterday, the elections for this year's AUEW national committee, which are not by postal

ballot, showed a swing to the Left.

One executive seat for Wales and the West, is still vacant. Left-wingers will put all their energies into trying to gain this.

Mr. John Weakley, the Right-wing candidate, topped the poll in a first round and there will be a second ballot in the autumn. Eight candidates have been eliminated.

National pride as well as political may affect this election. Mr. Weakley is Welsh regional officer, while most of the division's members are in England.

Mr. Bob Wright, unsuccessful Left-wing contender against Mr. Duffy for the presidency, topped the poll yesterday, in a first-round fight to keep his post as assistant general secretary. One of the Left's few other successes was in Scotland, where Mr. Jimmy Airlie, a leader of the Upper Clyde work-in, became assistant divisional organiser in Glasgow.

Deloitte to pay NEB £150,000

BY MARTIN TAYLOR

Deloitte, Haskins and Sells, one of the world's eight largest accounting firms, is paying £150,000 to the National Enterprise Board after the discovery of alleged irregularities in the accounts of Power Dynamics, an NEB associate now in receivership.

This was announced yesterday by Sir Leslie Murphy, chairman of the NEB, which invested £180,000 in Power Dynamics early last year to enable it to

expand its manufacturing capability by moving to Bridlington, Yorkshire. Soon afterwards it was discovered that the cash requirements of the company, a manufacturer of tube-bending machinery, were much larger than forecast.

An NEB investigation discovered apparent irregularities in the 1976 and 1977 accounts of the company, which had been audited by Deloittes. The NEB decided to invest

no further funds in the company which went into receivership at the end of last year. It has since taken legal advice, and Deloittes has now agreed to pay it £150,000 but is not admitting culpability.

At present the NEB is believed to be having talks with another firm of accountants concerning possible compensation for irregularities in the accounts of another company in which it has invested.

Continued from Page 1

Howe sets guidelines

IMPLEMENTING the Budget during the summer, Mr. James Prior, Employment Secretary, and Mr. Len Murray, general secretary of the TUC, on trade union reform are expected to start soon. They might be lengthy, involving the CBI later. References to trade union legislation in the Queen's Speech are likely to be vague.

The Labour Party's inquest into the general election defeat begins in earnest today with a meeting of the Parliamentary Labour Party at Westminster.

Mr. James Callaghan is almost certain to be re-elected leader, probably unopposed, but there might be open criticism of his decision to postpone the election date from last autumn and of his rigid 5 per cent pay norm, which antagonised the trade unions.

There is still no indication of

Mr. Callaghan's plans but the signs are that he intends to remain as party leader for the foreseeable future, to hand over to his successor at the most appropriate time.

The loss of many leading Left-wingers at the election means that the new Shadow Cabinet might be a relatively moderate body that should not pose Mr. Callaghan too much difficulty initially. The Shadow Cabinet is elected by Labour MPs rather than selected by the party leader.

Mr. Callaghan's difficulties will probably come to a head at the party conference in the autumn, when Left-wing constituencies and the National Executive Committee will mount a heavy onslaught on his moderate policies in an attempt to swing the party to the Left well before the next election.

One important theme is that the regulation of the lives of South Africa's black population should no longer be administered separately from that of whites in common areas such as sport or leisure.

—from trades unions rights.

Mr. Chris Hennis, the Minister of Economic Affairs, last night announced government acceptance of the drift of the Riekert report. Among its major recommendations are enforcement of influx control simply on the basis of available housing and jobs; allowing wives to join their husbands if they have residence rights; allowing urban blacks freedom of movement between different urban areas; streamlining the recruitment system in the tribal homelands; and transferring the penalty for employing illegal black labour from the worker to the employer.

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Ganges may be leisure centre

THE English Tourist Board are supporting the sale of HMS Ganges, the former Naval training centre near Ipswich, as a leisure centre on the lines of Disneyland.

A public meeting is to be held at Aldeburgh on Thursday to promote the idea to prospective buyers of the site, on the market for the second time. A deal fell through earlier this year.

There is still no indication of

the English Tourist Board's support for the sale of HMS Ganges, the former Naval training centre near Ipswich, as a leisure centre on the lines of Disneyland.

The British contract confirms a letter of intent issued in 1974, and is for deliveries starting in 1983-84 for Britain's advanced gas-cooled reactors.

Urenco executives said contracts had been signed for about 4,000 tonnes of enrichment with the Central Electricity Generating Board (CEGB) in Britain and for 3,200 tonnes with three West German electricity utilities.

These contracts bring the total orders for enrichment placed with Urenco to about 27,000 tonnes, at a present-day value of more than £1.2bn.

Deliveries are scheduled to take place between 1982 and 1982, with the latest

price at about \$100 (£48) per kg. All are for reactors already operating or under construction.

The German orders are contracts originally placed with the U.S. government under flexible terms which have permitted them to be transferred to Urenco without penalty.

The British contract confirms a letter of intent issued in 1974, and is for deliveries starting in 1983-84 for Britain's advanced gas-cooled reactors.

The orders will fill the planned annual capacity of 2,000 tonnes of enrichment which Urenco is expecting to install by 1983-84.

The three participating governments recently approved additional investment—£30m in the case of Britain—for further capacity.

Mr. Con Allday, managing director of British Nuclear Fuels, Britain's shareholder in Urenco, told the European

newspaper: "Why should a utility in a country rich in

uranium go nuclear?"

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